

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, DECEMBER 15, 1932



Camden Agents Teach Economy and SELL SILVERWARE INSURANCE

"It is cheaper in dollars and cents to use your silver than to store it—and its value is more secure."

That is the logic which is selling Camden Silverware Policies this winter. That is the message which is leading Camden Agents into upper-class homes. For that is the story which is being supplied by the Camden Fire in the attractive folder pictured here.

The Camden Fire issues a whole series of these folders—enough for a full year's advertising. Agents who use and follow them are more welcome, argue less, and sell more, than they ever have before.

Write for a copy of this silverware folder. Tell us about your methods, and ask about our ways of doing business. A valuable connection may result.



Write for a copy of this silverware folder.



CAMDEN FIRE INSURANCE ASSOCIATION
Camden, N. J.

The Camden Fire has operated conservatively and written sound Insurance since 1841

No Time for Losses When Building Up Income



**PROTECT
WHAT YOU
HAVE**

COPYRIGHT 1932 BY INS. CO. OF NORTH AMERICA

LOSSES OF PROPERTY, calling for unexpected cash outlay for repairs or replacement disturb the financial plans of rich and poor alike. Fires and windstorms, explosions and collisions, are no respecters of persons or circumstances, and interfere with progress.

Your assets have been reduced, your wants have been tempered to suit your income. Now is *no* time to pay for losses. It is the time to use your resources to build your business and ride in on the wave of returning prosperity. Play safe—protect what you have by adequate insurance.

Insurance will give all kinds of property protection against all kinds of hazards. Go to an experienced agent and let him show you how completely he can cover everything you own, at a price that makes security and contentment a cheap purchase.



THE
WHITE FIREMAN
IN THE
HOME

The advice of a seasoned agent or broker is as professional as that of a lawyer or physician—he will select for you a strong company with ample resources and a reputation for prompt and equitable settlement of claims over a long period of years.

"The White Fireman in the Home" is a little book that the Insurance Company of North America will be glad to send you, gratis. By observing the precautions it gives, you may prevent loss of life and destruction of your property. Address: Insurance Company of North America, 1600 Arch St., Philadelphia.



North America Agents are equipped to advise you on all insurance matters—and you are secure in the protection offered by their Company—one of the strongest insurance companies in America. North America Agents are listed in Classified Telephone Directories under the heading . . . INSURANCE COMPANY OF NORTH AMERICA.

North America Protection

Oldest American fire and marine insurance company—founded in 1792.

A 140-year record of prompt and equitable settlement of claims.

Losses paid since organization, \$382,119,855.

The Company has successfully weathered every conflagration in the United States, as well as all panics and business depressions.

A stock company—therefore, no possibility of assessing policyholders.

Surplus to policyholders, based on market values as of June 30, 1932, \$30,054,135—the largest of any American fire insurance company.

Capital, \$12,000,000

Insurance Company of North America

PHILADELPHIA

and its affiliated companies write practically every form of insurance except life

"Protect with insurance" is as good advice now as it was at the bottom of the depression. The North America "Protect What You Have" campaign continues in step with business conditions and is gaining momentum every month.

The above advertisement appears in The Saturday Evening Post, December 3rd; and in The Literary Digest, December 10th.



Unquestionable financial strength.

The facilities and ability to satisfy exacting requirements.

Sound judgment in meeting ever changing conditions.

An unblemished record for fair treatment of agents, claimants and policyholders.

These are some of the reasons why far-seeing agents are turning to the "London Guarantee".



Established in 1860, the London Guarantee is one of the oldest and strongest casualty companies in the world.

LONDON GUARANTEE & ACCIDENT CO., LTD.

J. M. HAINES, U. S. Manager

HEAD OFFICE, 55 FIFTH AVENUE, NEW YORK

NOW—YOU CAN BUILD PREMIUM VOLUME!

with ACCIDENT INSURANCE

THE NEW F. & C. ACCIDENT POLICY HAS BEEN DESIGNED TO ENCOURAGE AND ASSIST ALL OUR AGENTS TO BECOME INTERESTED IN THIS PREMIUM-BUILDING LINE

"HURT?"

NEW
UNUSUAL
EXCLUSIVE
FEATURES
NOT CONTAINED
IN ANY OTHER
ACCIDENT POLICY

IT IS A
FACT
THAT—

agents either write a large volume of accident business or none at all
an accident policy is the best entering wedge an agent can use
it is of personal interest and there is no waiting for expirations
if you are interested in more business — get in touch with us

The AMERICA FORE GROUP of Insurance Companies

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY

FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE

Eighty Maiden Lane,

THE FIDELITY AND CASUALTY COMPANY
ERNEST STURM, Chairman of the Board
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

The National Underwriter

Thirty-Sixth Year No. 50

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, DECEMBER 15, 1932

\$4.00 Per Year, 20 Cents a Copy

Factory Insurers in Heavy Combat

Factory Mutuals Charge Factory Association Distorts Dividend Action

CIRCULARS DISTRIBUTED

Competitors Show Only Dividend Cut on One Year Business, Mutuals Protest—Clients Are Contacted

BOSTON, Dec. 14.—Competition of the factory mutuals and Factory Association has been intensified lately by reason of the fact that agents and brokers and clients of the factory mutuals were circularized by the Factory Association with a statement of dividend reduction on the part of many of the factory mutuals.

The factory mutuals are busy getting in touch with and responding to inquiries from clients, contending that the statement as to the dividend action of the mutuals given in the circular was incomplete and therefore distorted.

The Factory Association lists these factory mutuals as having reduced their dividends from 96 to 95 percent: Manufacturers Mutual, Rhode Island Mutual, State Mutual, Mechanics Mutual, Enterprise, American, Boston Manufacturers, Worcester, and Fall River. The Philadelphia Mutual is listed as having reduced its dividend from 94 to 93 percent, while the Protection Mutual and Mill Owners are represented as cutting from 93 to 92 percent.

Increase in Net Cost

"A reduction of only 1 percent in mutual dividends means an increase of about 10 percent of the annual cost of mutual insurance," the Factory Association bulletin states.

The mutual companies resent the fact that the circular did not state that the dividend reductions listed were for one year business. The dividends on three year business of a few of the factory mutuals listed as having reduced dividends on the one year basis were not affected, while in the other companies the dividends on three year business were reduced only 1 percent, which is no more than on the annual business and increases the net cost on three year business only about 8 percent. The factory mutuals point out that about 90 percent of their business is on the three year term plan.

Incidentally the Protection Mutual and Mill Owners Mutual of Chicago have now reinstated their dividends on one year business to 93 percent. The dividends on the three year business of those companies remain at 80 percent. It was not changed when the dividends on the annual business were reduced.

The Philadelphia Mutual has not changed its dividends on three year business. They remain at 80 percent. The

New Automobile Manuals Not to Be Issued in 1933

TO RETAIN THE 1932 BOOKS

Whatever Territorial Changes Are Determined Upon Will Be Made Through Supplemental Bulletins

NEW YORK, Dec. 14.—The 1932 automobile fire, theft and collision manuals will be retained next year, the National Automobile Underwriters Association has decided. Whatever territorial changes are decided upon, after review of the experience of the fiscal year which ended Oct. 1, will be made by issuing supplemental bulletins.

The decision not to issue new bulletins in 1933 was made in view of the fact that increases in rates were instituted last year and the companies felt that another increase could not be made next year even if the experience warranted it. Furthermore, the manuals were not distributed until late this year and some of the filing states delayed approving the 1932 manuals, so that if new manuals were issued next year, the interval between the changes would be short. Moreover, there is a considerable saving in retaining the old manual.

Since the casualty companies have virtually decided not to make changes of any consequence next year in automobile liability and property damage rates, the automobile field will probably enjoy peace and quiet in 1933.

other companies did reduce their dividends on three year business from 88 to 87 percent.

In those companies in which the three year dividend is 87 instead of 88 percent, it is seen that the net cost over the three year period is thus 13 cents instead of 12 cents. Therefore, the increase in net cost is about 8.3 percent.

The factory mutuals report that they are earning 1 to 2 percent higher than they are returning to policyholders, collections are good, losses are 43 percent less than last year and their cash position is very satisfactory.

The collection problem is almost nonexistent in the factory mutuals. They hold A-1 collateral in the deposit premium and interest on unremitted premiums can be deducted from the deposit.

Ten Months' Record

In the first ten months of this year, the factory mutuals paid a total of 1,714 losses for \$1,367,491 as compared with 1,768 losses in the same period last year for \$2,151,334. The losses the first ten months of this year have been divided, fire, 1,088, \$1,162,039; windstorm, 379, \$109,519; sprinkler, 209, \$77,336; and use and occupancy, 38, \$18,597.

In the same period last year there were paid fire losses, 1,238, \$1,705,180; windstorm, 228, \$150,596; sprinkler, 246, \$134,759; use and occupancy, 56, \$160,799. The loss of the factory mutuals for \$100 of liability for the last 12 months is reported at 1.8 cents.

The Factory Association's bulletin advises agents: "All mutual risks should be aggressively solicited now even if they have been unsuccessfully solicited

(CONTINUED ON PAGE 32)

Premiums Handled by I. U. B. Grow 6 Percent During Year

REPORT AT ANNUAL MEETING

Large Attendance at Gathering in New York Attests Keen Interest in Organization

NEW YORK, Dec. 14.—Submission of reports by W. Ross McCain, chairman of the governing committee of the Interstate Underwriters Board, and Manager J. R. Dumont featured the annual meeting of the organization here, which was more largely attended than any previous gathering, thus attesting the keen interest members feel in the activities of the body.

There was frank discussion of a number of the matters contained in the reports, as well as of questions presented from the floor. The organization continues to make satisfactory headway, premiums upon business passing through the office in 1932 being six percent greater than for last year.

As president of the Eastern Underwriters Association, C. F. Shallcross will designate 12 members to serve on the executive committee of the I. U. B. for the next 12 months, and these together with the president or chairman of the executive committee of each of the four regional fire governing bodies of the country will constitute the complete committee.

The committee selects its own chairman, which will be done at a meeting to be held in January. The association has a standing committee to cooperate with such other fire organizations as have related interests.

Much Jewelry Business Is Reinstated on \$10 Basis

NEW YORK, Dec. 14.—A number of the marine departments are conducting an intensive campaign for the development of personal jewelry business in view of the recent action of the Inland Marine Underwriters Association in reducing the minimum premium from \$30 to \$10. Much personal jewelry business has been lost to the companies during the depression because people have been putting their jewelry into safe deposit boxes and vaults. Although a few articles of jewelry are kept on hand, the owners have canceled their insurance entirely, usually because the \$30 minimum premium seemed prohibitive. Now production men in the marine departments are getting in touch with brokers and agents, urging them to solicit people who have dropped their jewelry insurance to have the policies reinstated with the \$10 minimum premium. Considerable success has resulted from these efforts.

Prepares Complaint Form

BOSTON, Dec. 14.—Commissioner Brown has issued an order that in the future all complaints filed against agents or brokers for alleged failure to pay over collected premiums must be filed on a prescribed complaint form which the department will furnish.

Many Pet Theories Placed in Discard

Fire Underwriting Practices Built Up Over Many Years Change in Depression

SEEN IN DWELLING RISKS

Moral Hazard Due to Upsetting Plans of Many Home Owners Brings Heavy Loss on Class

NEW YORK, Dec. 14.—As one result of the radical change in economic conditions in the last three years, fire underwriters are finding that they can no longer rely upon certain well established practices in consideration of risks, particularly with respect to dwelling business, long considered the most desirable classification.

Offices having any considerable percentage of dwelling risks on their books were considered to be in an enviable position, and usually were able to show attractive loss ratios. Business of this type commanded superior commissions and with rare exceptions yielded a profit to the carriers despite heavy acquisition costs.

Business Was Eagerly Sought

Fire companies in the smaller cities of both the east and west were eagerly bought as subsidiaries by larger institutions, the appeal to the latter almost invariably being to control the "preferred" business of the local companies. The average home dweller, particularly if he owned his property, was on the alert to safeguard against fire, feeling a sentimental interest in its preservation beyond the monetary value, which was protected by insurance. When fires occurred the damage was usually partial, some member of the household generally being on hand to give the alarm, assist in extinguishing the blaze and salvage contents.

When the era of great building construction was ushered in during early post-war days, residence properties were erected in large number and their sale offered upon attractive terms. Purchasers were confident they could complete payment and maintain the houses in first-class shape. Then the debacle in the financial market occurred in October, 1929, followed by the depression, and thousands of persons lost their businesses or positions. Many were unable to meet installment payments on their obligations.

Moral Hazard a Result

That a moral hazard was created thereby was obvious, and while it has been humanly impossible to put the finger on many dwellings burned through connivance of the owner, underwriters are convinced that in many instances such was the case. Certainly the complete reversal of form in the general (CONTINUED ON PAGE 34)

Home Working to Preserve Svea-Hudson-Skandia Plant

AGENCY CONNECTIONS MADE

Negotiations Leading to Change in Setup of Swedish Interests Here Started Last July

NEW YORK, Dec. 14.—Having reinsured the entire outstanding liability in this country of the Svea, its American subsidiary, the Hudson of New York, and the direct writings of the Skandia, the Home has already arranged agency connections with many former field representatives of those three companies and is negotiating with others. Agents who have represented any one of the three reinsured companies are being offered the representation of the various companies of the Home group or the Hudson Underwriters of the Home.

The Home has already attached to its service several of the former state agents of the Svea and Hudson, and may take on others following a conference of the eastern special agents which will be held at the Home office here this week. None of the headquarters staff of the Svea and Hudson have been employed by the Home as yet, being engaged in making up bordereaux sheets. When this work is concluded it is probable that certain of these employees will be offered positions with the Home.

Change Long Projected

That the Svea was considering a change in its affairs in this country became known as far back as last July, when Theodor Wijkander, president of the Svea, and C. Kalderen, secretary of the foreign department of the Skandia, arrived in this city. During their stay propositions of various character looking to the strengthening of the operations of the companies here were considered. While the majority stock of the Hudson of New York was held by the Svea, the Skandia was interested to a considerable extent, having purchased its shares from the Svea.

The initial suggestion was to secure additional funds for the Hudson, thus bolstering its net surplus account, which according to the semi-annual statement filed with the New York department totaled \$251,602 on June 30; the total admitted assets at the same time being \$2,781,855, of which \$1,000,000 was paid-up capital. This proposal, for various reasons proving impractical, it was next suggested that some strong foreign fire company buy the Hudson as an American subsidiary, and at the same time assume the United States management of the Svea. Although the proposal was laid before certain British institutions and made an appeal to their respective United States management, the condition of the money market at home precluded serious entertainment of the offer at headquarters and was later discarded in favor of the clear-cut reinsurance offer of the Home, submitted by Sumner Ballard as intermediary.

Wennstrom's Duties

Having disposed of its entire interests in this country the Svea will wind up its affairs here and formally withdraw from these shores, once sanction to that end be had from the department; thus bringing to a close an adventure in the United States of close to half-a-century. J. M. Wennstrom, who had been connected with the Svea since 1903 and its United States manager for the past 16 years, and president of the Hudson since its formation in 1919, will serve as liquidator of the interests of the two corporations on this side the water, aided by a representative from the head office of the Svea who arrived in the city several days ago.

President Wijkander of the Svea is a prominent personage in Sweden, being interested in a number of important enterprises aside from his insurance con-

Made Argument



NEAL BASSETT

Neal Bassett, president of the Firemen's of Newark, made the chief argument before the special committee of the National Convention of Insurance Commissioners which had before it the question of interlocking directorates and holding companies. Mr. Bassett presented the plan used by the Firemen's where the primary company owns the stock of all the affiliates.

The son of a former prime minister of the country, he has served in the Swedish parliament and is frequently called into conference in mat-

(CONTINUED ON PAGE 12)

Lists Causes of Excessive Automobile Finance Losses

SEVEN REASONS ARE GIVEN

Speaker at Meeting of National Association of Finance Companies Suggests Several Correctives

S. R. Featherston, vice-president of the R. F. Finance Corporation of Wichita Falls, Tex., in an address before the annual meeting of the National Association of Finance Companies in New Orleans, enumerated seven reasons for excessive insurance losses on the part of finance companies. He mentioned: Over emphasis of insurance by the finance companies and/or the dealer organization; insuring moral hazards, over-selling, over-insurance, financing and insuring vehicles with only seasonal usefulness; negligence on the part of the collection department and laxness in prosecuting known arson and theft cases.

To correct the excessive loss situation, Mr. Featherston recommended sending to the customer his insurance certificate with a letter explaining the policy by registered mail; underwriting the insurance risk as a credit risk is underwritten, i. e., as if the loss would be paid out of the pocket of the finance company.

Record of Losses

Mr. Featherston recommended keeping an accurate record of losses as to dealers and territories so as to eliminate the unprofitable; requiring the dealer to collect some cost at the time of sale in addition to the trade in value; sending the customer out of the office, on small claims, to get proof of loss notarized; obtaining collision in some form as a guard against fire losses.

Mr. Featherston, furthermore, advised buying single interest coverage on questionable risks so as to protect the finance company's interest if unable to

(CONTINUED ON PAGE 12)

See No Move to Compromise in Missouri Rate Increase

STATE OFFICIALS GIVE VIEW

Declare That During Present Administration There Will Be No Change of Front

JEFFERSON CITY, MO., Dec. 14.—It is stated here that there will be no compromise during the remaining period of the present administration with fire companies that are seeking a 16 2/3 percent rate increase. Governor Caulfield and Insurance Commissioner Thompson both spoke against any adjustment. The case already has cost the state over \$100,000 to fight. Governor Caulfield said that while such matters are within the jurisdiction of the insurance department and not the governor, it is his inclination that the state will continue the attitude of the insurance department in the suits now pending.

Await Decision of Courts

Commissioner Thompson also said that he would await the decision of the courts and would not agree to any compromise. He said that no official had approached him with any terms. Some \$5,000,000 in premiums have been impounded since June, 1930. Commissioner Thompson's term will expire in July. There is considerable interest as to who will be appointed by Governor-Elect Park, a Democrat. Emmet O'Malley, E. S. Villmoare, Jr., and Stanley Watson of Kansas City are out for the position. G. S. Robertson of Marshall is being backed by a number of people in the outside district and he has considerable strength in St. Louis.

The companies have made no move to compromise the issue and insurance leaders are determined to carry the contest to a conclusion as a matter of principle. Agitation for compromise springs largely from the agents and some large assureds.

Commissioners Watching the Farm Mutual Field

Insurance commissioners are watching carefully the situation in the farm mutual field in view of the fact that there has been no improvement among the farmers and their situation seems to be growing worse. The farm mutuals have always been able to hold down moral hazard losses. This is due to the fact that most of the mutuals are local concerns and the neighbor farmers would practically excommunicate a member who they thought would burn his property. The farm mutuals are confronted with an interesting banking situation. Those that levy assessments at the end of the year borrow money from the banks until the assessment is paid in. Evidently the banks, at least in some localities, are shutting down on these loans. This is embarrassing some of the companies. Some of the commissioners are urging these companies to collect a sufficient amount of premium ahead so that they can have their own money and not be forced to borrow so much at the bank.

Insurance Premiers' Topic

OTTAWA, CAN., Dec. 14.—A conference will be held here Jan. 17, attended by the Premiers of the Dominion and of each of the nine provinces of Canada, with their advisers, to discuss various matters, including social or unemployment insurance and the question of insurance jurisdiction as between Dominion and provinces.

Willis Mahoney, formerly with the insurance department of the Union Trust Company of Spokane and recently with General of Seattle, has been elected mayor of Klamath Falls, Ore.

THE WEEK IN INSURANCE

Dividend reduction on the part of the factory mutuals intensifies competition between those companies and the factory association. **Page 3**

The National Automobile Underwriters Association has decided to retain the 1932 manuals next year, making only certain territorial changes by the issuance of supplemental bulletins. **Page 3**

Changed conditions have compelled the abandonment of many pet theories of fire company executives. **Page 3**

Prominent Illinois agents testify as to the right of an agent to expirations when he becomes delinquent, in a \$100,000 damage suit against several insurance companies. **Page 6**

Commissioner Mortensen of Wisconsin declares that his department will not abide by the resolutions of the National Convention of Insurance Commissioners as to valuation of securities for Dec. 31 statements. The Wisconsin department will require values as of Dec. 31, 1932. **Page 5**

The Home of New York is busily engaged in preserving the agency plant of the Skandia, Svea and Hudson, which have been reinsured by the Home. **Page 4**

Commissioners' action in deciding to study marine over-lapping issue further before taking action is generally approved. **Page 10**

A number of changes in the Blue Goose life insurance cover will be instituted Jan. 1. **Page 13**

Seven reasons for excessive insurance losses on automobile finance business are enumerated by S. R. Featherston in address before the annual meeting of the National Association of Finance Companies. **Page 4**

Premiums handled by Interstate Underwriters Board increase 6 percent in year, according to report at annual meeting in New York. **Page 3**

C. M. Cartwright of The National Underwriter in Chicago is appointed general chairman of the grand nest employment committee of the Blue Goose in the United States, and H. Churchill Smith of Montreal, general chairman for Canada. **Page 12**

Missouri state officials say they are making no move to compromise the fire insurance rate increase. **Page 4**

Ruling of Superintendent Van Schaick on carriers' appeal for workmen's compensation rate advance of 19.2 percent in New York is expected this week. **Page 27**

Those advocating removal of federal court jurisdiction in cases involving diversity of citizenship are declared suspicious and jealous by George Wharton Pepper in an address before the Association of Life Insurance Counsel. **Page 20**

Trends in casualty insurance reviewed by J. S. Kemper, president Lumbermen's Mutual Casualty. **Page 27**

Decision of Pennsylvania supreme court that surety companies are liable for loss of state funds under depository bonds if deposited before cancellation notice, is expected to make it more difficult to obtain this coverage. **Page 20**

Alabama department refuses compensation occupational disease loading. **Page 27**

Commissioner Herdman takes under advisement the objection to low automobile rates the Northwest Casualty is offering Omaha postal employees. **Page 20**

Executives Scan Losses in Texas

Ratio for First Six Months 75 Percent—Valued Policy Law Blamed

DWELLINGS ARE BURNING

Companies Are Loath to Withdraw from the Field Because of Its Promising Future

NEW YORK, Dec. 14.—Operation of the valued policy law in Texas is held accountable in large degree for the heavy fire losses suffered by the companies writing in that state, the general understanding being that the loss ratio for the first half of the present year was close to 75 percent. There is no challenge of the average rate level, which in the absence of abnormal hazard would be adequate to take care of legitimate losses and expenses, and allow a small profit margin to the companies. The heavy losses now being reported are almost wholly upon residential property, no complaint being heard as to the burning of mercantile risks or their contents, claims of this character being well within bounds.

Many Owned by Women

A singular feature in connection with the residence fires reported is the large percentage of such properties owned by women, an analysis by one company revealing that 90 percent of its dwelling house claims were filed by women. In an effort to check the number of dwelling losses some companies have instructed their Texas agents when sending in daily reports to specify that they have personally examined the risks and certify that the amount of indemnity sought represents a fair replacement value, feeling that only through such practice can over-insurance, with its inducement to arson and the collection of an amount considerably in excess of real value, be avoided.

General Agency State

Producing an annual fire premium income of close to \$30,000,000 and covering an area greater than that of Germany, Texas is a difficult field to handle at long range, hence the favorite practice of appointing general agents for the territory. Many such connections have been established on the assumption that the appointees are thoroughly conversant with underwriting and general business conditions in the state. The general agents in their desire to improve the situation have taken up literally hundreds of local agencies in recent months and are culling the business of those remaining with the utmost care.

Feel State Has Great Future

In spite of the heavy burning ratio of the state at the present time, notably on residence risks and on properties in unprotected resort communities, executives feel that Texas has a great future, and hence are loath to withdraw from the field save as a last resort. Some companies, it is true, have ceased writing in certain centers, where the continued heavy loss record left them no other course, but, generally speaking, offices with established plants, either direct reporting or through general agencies, will continue their representation adopting every possible safety measure and trusting to time to effect needed reforms.

In common with other of the southern states Texas, while still the leading cotton producing state, is tending to

Rantum Scooter



CLARENCE T. HUBBARD

Clarence T. Hubbard, assistant secretary of the Automobile, in his address during Connecticut Insurance Day at Hartford gives a variety of good advice to agents, justifying his wide range of subject matter by referring to his address as "rantum scoot"—a Nantucket term meaning to sail at random without any particular course.

Contractor Covered in Severe Montgomery Blast

MONTGOMERY, ALA., Dec. 14.—The terrific explosion which recently wrecked the First Methodist Church under construction in the Cloverdale section here creates an odd situation. A city and a commercial electrician were inspecting the wiring in the boiler room. One of them struck a match, which was followed by the explosion, one of the men being instantly killed and the other seriously injured. The contractor on the building, the Batson-Cook Construction Company, has a \$90,000 explosion policy with the North America which will nearly cover the loss if the Batson-Cook Company is held liable. However, separate contracts were let for the electrical, plumbing and heating work and it is understood there was a provision in the Batson-Cook contract making the church liable in the event that other contractors damaged any of the Batson-Cook Company's work. When the explosion occurred the Batson-Cook Company had completed practically all its work but it had not been formally accepted by the church. The building represented a net investment of \$150,000 and the loss will reach at least \$100,000. Investigation shows that gas of some kind caused the accident, and it is thought there may have been a leak in the local gas company's main.

New Local Board at Bellingham

The agents at Bellingham, Wash., have formed a local board. C. J. Sorenson is president and Nick Jerns, Jr., is secretary. President C. B. White of the Washington Insurance Agents League, George Thieme and M. B. Hevly of Seattle were present to assist in the organization.

crop diversification; planters in certain sections having gone in for raising leaf tobacco on a rather extensive scale, and with satisfactory result thus far.

The decision given by the United States supreme court upholding the Texas oil proration law will benefit the extensive oil industry of the state, in that keeping production within bounds will result in a better price being obtained for the output.

Wisconsin Department's Position as to Valuations

MADISON, Dec. 14.—Announcement has been made by Commissioner Mortensen, of Wisconsin, returning from the convention of insurance commissioners in New York, that his department will not abide by the resolution adopted recommending that all valuations be based on June 31, 1931, figures. Companies will receive a letter to be sent out this week conveying his views and with blanks for the annual statement. In an interview Mr. Mortensen said he felt it would be "injurious" to follow this plan. He believes that waiving of the requirement for statements would be preferable to accepting statements 18 months old. He declares Wisconsin statutes demand that the valuations be upon the real value of securities at the present time.

Says Figures Are Too Old

"Many inquiries come in daily from people through the state who wish information as to the financial condition of companies, before buying insurance, and we merely send them a copy of the company's latest statement," said Mr. Mortensen. "How can we justify giving prospective policyholders or assureds a picture which is 18 months old, at least? When the assured asks for this information he believes he is getting a statement of the company's condition at the present time. I believe we would be liable, if not to court action, at least to severe criticism or condemnation, were we to accept statements of June 31, 1931, as a picture of security valuations now."

The dangers involved in the situation would be comparable to that of the banking commissioner failing to take

action where a bank is in bad condition, says Mr. Mortensen. Depositors in such cases are justified in condemning the neglect, he pointed out.

Does Not See the Logic

Although he expressed his understanding of the viewpoint of the commissioners' body in their motive of wishing to give assistance to companies, and relieve them from putting more capital into the business, Mr. Mortensen does not "see the logic" in this course of action. He pointed out, however, that he took the stand against this proposal last year, suggesting that it would be difficult if the picture on securities had become worse at the end of 1932, to handle the situation. He believes that this is another reason for upholding the demand for statements, in affirming his belief that no statement would be more satisfactory than one which does not represent the picture.

Will Use Discretion

Mr. Mortensen said that his department will use discretion, in regard to statements, declaring "if a company is close to the mark we are not going to compel it to liquidate or go out and put more money into it, unless it is necessary for it, but that does not excuse companies from giving us a true picture in their statements."

Last year Commissioner Mortensen accepted the statements based on convention values but also demanded that statements be filed as of Dec. 31 figures. He compared the two and this gave him what he declared to be a true picture of a company's financial situation.

Hearing on Fire of Chicago Receivership Not Yet Ended

Taking of testimony on the petition for receivership of the Fire Insurance Company of Chicago has been going on since last week before a master in chancery appointed by Judge James H. Wilkerson of Chicago. The petitioners will conclude their testimony this week, after which the defense can present its side. Thereupon the master will have to digest the testimony and report to the court.

The testimony so far consists mainly of a mass of contracts preceding and following the purchase of control of the Fire Insurance Company of Chicago from P. W. Chapman & Co. by the Insurance Investment Corporation of St. Louis and the sale to the former company by the latter of about \$2,000,000 worth of securities. On the report of the master, Judge Wilkerson will decide whether to appoint a receiver or not.

"What a Vine" Burden

J. W. Burden, automobile superintendent for the Hartford Fire in the west and former president of the Automobile Superintendents Club of Chicago, this week received \$750 for the destruction by oil of a vine which curled poetically over his home in River Forest. Mr. Burden sued the Sinclair Refining Co. for loss of the vine, oil deliverymen having spilled part of their cargo where it reached to the roots of the ivy and killed it. Settlement of \$750 was accepted. Mr. Burden seems now to be in a fair way to carrying to his grave the appellation "What a Vine" Burden.

Addresses Lions Club

T. G. Linnell of Enck & Linnell, Minneapolis general agents, addressed the Lions Club in Eveleth, Minn., on preventable fire waste two days before the inspection of the city by field men.

Reversal of Experience on Movie Houses Is Perplexing

NEW YORK, Dec. 14.—Just why the former desirable loss record on motion picture house risks should have changed of late is one of the problems with which companies are wrestling. Until recent years properties of this character were of rather indifferent construction, and their interior electrical equipment so freely used was minus many of the safeguards now commonly used. In large part, too, the houses were independently owned. With the rapid growth in the popularity of motion pictures, chain groups were created, each owning leading houses in most cities.

There is no suggestion of moral hazard in connection with the losses, nor is arson suspected. Obviously, there is a fire hazard in connection with the motion picture industry of which neither owners, their architects and engineers or underwriters have yet become aware.

Dunham Says He Will Use Convention Values

HARTFORD, Dec. 14.—Commissioner H. P. Dunham of Connecticut says: "I will use convention values according to the dictates of the recent meeting of insurance commissioners in New York and will discontinue the system used in Connecticut last December, whereby certain percentages were set up for deductions in valuation of securities. I have determined to follow unequivocally the system recommended by the convention, hoping this uniformity will prevail throughout the country."



To You and Yours

May the joy of the Christmas season and the happiness of well being, unmarred by the lack of adequate insurance protection, be the lot of your clients as well as yourself throughout the coming year. ❖ ❖ ❖



The FRANKLIN FIRE INSURANCE COMPANY of PHILADELPHIA

421 WALNUT STREET

PHILADELPHIA, PA.

Illinois Agents Testify in Suit on Expirations' Issue

SUPPORT VIEW OF COMPANIES

**Troxell, Moisant, Giberson Among
Those Heard in \$100,000 Damage
Suit Against Carriers**

A number of prominent Illinois agents were called as witnesses before Judge Wright at Effingham, Ill., in the \$100,000 damage suit brought by F. B. Miller, head of the Miller agency of Centralia, Ill., against a number of insurance companies, field men and John O. Bolin, local agent at Centralia.

The agents who testified were R. W. Troxell, chairman of the Illinois Association of Insurance Agents and national councillor from that state; S. E. Moisant of Kankakee, secretary of the Illinois Association of Insurance Agents; J. A. Giberson of Alton; E. S. Hill of the Hill & Gore agency of Cairo, and Albert E. Ernst of the McKinney agency of Alton.

Miller charges there was an illegal conspiracy on the part of the field men, Bolin and the companies to ruin his agency by selling his expirations to Bolin. The agents, who testified as experts, declared that it is customary in Illinois for the agent to forfeit the right to his expirations when he defaults in his obligations to the companies.

Giberson Tells Value

Attorneys for Miller at one time asked Mr. Giberson whether one year's net commissions of an agency was the value of the expirations of that agency. When Mr. Giberson answered that it was, the attorney for Miller in a rather belligerent way asked Mr. Giberson whether he would sell his agency on that basis. "Yes," Mr. Giberson answered promptly, "and one-half of the agents of this state would do the same."

The companies, who were represented by E. H. Hicks of Hicks & Folonie of Chicago and Craig & Craig of Mattoon, set up that the Miller agency was delinquent and had an obligation against it of \$5,000 which was about to become a judgment. Miller, the companies set forth, was president of the now defunct Merchants State Bank of Centralia, had been indicted under two counts and had a judgment against him personally for \$50,000.

According to counsel for the companies, the Miller agency summoned the various field men and said that it desired to work out its obligation. An analysis was made and the companies found an item of \$4,000 that seemed beyond hope of liquidation. The expirations were sold to Bolin May 12. The companies claim that this sale was by agreement and under the law and custom of Illinois that when an agency is delinquent it forfeits its rights to expirations.

Sues in September

In September, Miller filed his suit against the field men and Bolin.

It developed in the course of the trial that Miller had retained a copy of the expirations of his agency and the Travelers remained in the Miller agency. Bolin complained to the field men about this and asked for protection. Then the field men wrote to the insurance commissioner.

Counsel for the companies have completed their arguments in the case. Further arguments will be presented Saturday of this week before Judge Wright by June Smith, counsel for Miller. Then the judge will take the case under advisement.

The defendants in the suit are the Home, New York Underwriters, Continental, National of Hartford, Colonial Fire Underwriters, Star, Southern Fire, Aetna Fire, Queen, Providence Washington and Springfield F. & M. The field men who are defendants are: R.

Again President



GUY E. BEARDSLEY

Guy E. Beardsley, vice-president of the Aetna Fire, was reelected president of the National Automobile Underwriters Association at the annual meeting. President F. P. Hamilton of the Queen was elected vice-president, succeeding R. P. Barbour, United States manager of the Northern of London. C. E. Case, assistant United States manager of the North British & Mercantile, was reelected treasurer and J. Ross Moore is retained as manager.

In addition to the officers, the members of the board of directors are: F. C. White, vice-president of the Hartford; C. C. Hannah, eastern manager Fireman's Fund; E. A. Henne, vice-president and western manager America Fore; H. A. Miller, assistant western manager of the North America; A. T. Bailey, Pacific Coast manager for the North British & Mercantile; William Deans of Selbach & Deans of San Francisco, Pacific Coast general agents for the Hanover; C. A. Bickerstaff, southern manager of the Fireman's Fund; Eugene Ransom of the Commercial Union; C. M. Campbell, secretary of the North America; B. M. Culver, president of the America Fore; Wilfred Kurth, president of the Home; R. I. Catlin of the Automobile, and John Thomas, president of the National Union.

With slight modification of the limit of liability clause the National Automobile Underwriters Association at its annual meeting approved the method of writing finance business as set forth in a previous bulletin. A second bulletin defining the present arrangement will be issued to member companies within a few days.

Having reinsured their entire outstanding liability in the Home of New York, the Svea and Hudson surrendered their membership in the governing automobile organization.

Great States Reinsured

It now becomes known that several months ago the Great States of Dallas was reinsured in the Home of New York. An announcement was not made at the time. The business of the Great States is being liquidated. The company was started in 1927 by the Gross R. Scruggs & Co. general agency of Dallas. It was licensed in Arkansas, Louisiana, Oklahoma and Texas. As of Dec. 31, 1931, admitted assets were \$552,566; unearned premiums \$73,890; capital \$250,000 and net surplus \$215,222.

L. Wallace, J. T. Coen, J. G. McHale, F. D. Payne, William Meier, R. E. Miner, H. M. Callahan, B. F. Peters, J. N. Miller, F. J. Davis.

AS SEEN FROM CHICAGO

BOARD DISTRIBUTING STICKERS

The Chicago Board now is distributing to class 1 agencies the stamp to cover the \$1 service and inspection charge made mandatory on and after Jan. 1. These stickers are of striking design, of the size of an ordinary postage stamp and are put up in rolls suitable for use in a stamp machine. They are allotted only to class 1 members and in quantities of 1,000 or any multiple at a cost of \$1 per thousand, the cost being paid by the member at time of delivery and receipt for the stamps being required. The stickers are to be placed upon the filing face of the policy.

KUHNS CHANGES REPRESENTATION

A. D. Kuhns & Co., Insurance Exchange, Chicago, has given up the general agency of the Public Indemnity and has taken on the Cook county general agency for the Fireman's Fund Indemnity. The office also has been appointed Cook county general agent for the marine department of the Fireman's Fund, the parent company.

WELFARE DRIVE GOES SLOW

Results in the insurance end of the drive for the emergency welfare fund in Chicago after more than three weeks are somewhat discouraging. At last reports the fire and casualty division, headed by Ernest Palmer, manager Chicago Board, had reported only \$47,161 of its \$125,000 quota, or 37.8 percent, and the life division, under Manager E. B. Dudley of the Travelers, only \$23,000 of its \$60,000 quota, or 38.3 percent. Heads of the fund are calling for much less contribution this year than last, but widespread salary cuts and financial difficulties of some offices make it problematical whether the two insurance divisions will be able to meet their quota this year.

KELLER'S NEW LOCATION

F. B. Keller of Chicago is now located in A-1932 Insurance Exchange, the firm of Keller, Andersen & Co., having been reorganized as Charles A. Andersen & Co.

WANT LAWYER APPOINTED

The Chicago Insurance Lawyers Club, in session Tuesday evening, authorized appointment of a committee to express to Governor-Elect Horner of Illinois the desire of the club that the new Illinois insurance superintendent be an insurance lawyer. In the discussion, members expressed the belief that quasi-judicial state offices should be filled by lawyers. The committee appointed to draft a letter to Mr. Horner consists of William McKinley, who represented the Old Colony Life; Homer Cooper, New York Life; Nathaniel Rubinkam, Metropolitan Life; Walter H. Eckert, Federal Life of Illinois, and L. A. Stebbins, Central Life of Illinois.

ROUND TABLE BLOWOUT

The Knights of the Round Table, an organization of fire company executives who dine at the Union League Club in Chicago, is holding its annual blowout Saturday afternoon of this week. This is the 25th such party. Handsomely lettered announcements have been sent to members by W. R. Townley, scribe.

CARROLL JOINS WHITAKER

Charles W. Carroll, formerly associated with H. H. Herbst & Co., has joined R. A. Whitaker & Co., adjusters for the assured, and the firm in future will operate as Whitaker-Carroll & Co. Mr. Carroll was at one time general adjuster for Chicago and Cook county for the Western Adjustment, later becoming a public adjuster in his own offices in Indianapolis. He returned to Chicago, continuing in adjusting work in

the interest of the assured. R. A. Whitaker has been a public adjuster since 1913.

NO MORE REWARDS

The western branch of the National Automobile Underwriters Association has sent a bulletin to members, requesting them to cease paying rewards to Chicago policemen for the recovery of stolen automobiles. The reward question has for a long time been controversial among the companies. Some of the companies pay liberal and numerous rewards and feel that this course is effective and justified. Other companies feel that the paying of rewards encourages collusion on the part of dishonest policemen. Some companies have felt that the police are more diligent in making recoveries for insurers, which have a reputation for paying most liberally for recoveries. It is understood that Mayor Cermak of Chicago desired discontinuance of the paying of rewards.

LOUIS GUTHMANN HONORED

Louis Guthmann, chief counter man of the Cook county office of the America Fore companies, was the guest of honor at a luncheon Tuesday in celebration of his rounding out 40 years of continuous service with the organization. Earl B. Vickery, Cook county manager, was in charge of the affair and presided. Short talks were made by E. A. Henne, western vice-president, and J. H. Macfarlane, secretary. Mr. Guthmann was presented with a number of gifts from the various departments in the office.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple & Co., 112 W. Adams St., Chicago
as of Dec. 12

Stock	Par	Div. per Share	Bid	Asked
Aetna Cas.	10	1.60	29	31
Aetna Fire	10	2.00	26 1/2	27 1/2
Aetna Life	10	...	12	13
Amer. Alliance ..	10	1.00	12 1/2	13 1/2
*American, N. J.	2.50	.50	6 1/4	7 1/4
Amer. Surety	25	...	13	14
Automobile, Conn.	10	1.00	15	17
Boston	100	16.00	315	325
Carolina	10	...	11	12
City of N. Y.	100	...	80	85
Conn. Genl.	10	1.20	25	27
Contl. Assurance	10	2.00	23	25
Continental Cas. .	5	...	7	8
Continental Ins. .	2.50	1.20	16	17
Fidel. Phenix ...	2.50	1.20	17	18
Fireman's Fund ..	25	3.00	40 1/4	41 3/4
Fireman's F. Ind.	10	...	13	15
Firemen's	5	.60	5 1/2	6 1/2
Fire Assn., new ..	10	.80	20	23
Glens Falls	10	1.60	26	27
Globe & Rutgers	25	...	80	85
Great Amer. Ind.	5	...	4 1/2	6
Great American ..	5	1.00	12	13
Halifax	10	1.20	9	10
Hanover	10	1.60	24	25
Harmonia	10	1.80	7 1/2	8 1/2
Hartford Fire ...	10	2.00	35	37
Home, N. Y.	5	1.00	14	15
Hartford St. B. .	10	1.60	37	40
Home, F. & M. ...	10	2.00	20 3/4	22
Homestead	10	...	6	7
Imp. & Export ...	25	...	9	12
Ins. Co. of N. A. .	10	2.00	31	33
Maryland Cas. . .	2	...	3 1/2	4 1/2
Mass. Bonding ...	25	2.00	15	18
Missouri State ..	10	...	5	6
National Cas.	10	.40	6 1/2	7 1/2
National Fire ...	10	2.00	33	35
National Liberty	2	...	2 1/2	3 1/2
National Surety ..	10	...	8	9
National Union ..	20	...	20	25
New Amst. Cas. .	10	2.00	16	18
New Brunswick ..	10	...	8	10
New World	10	.80	7	7 1/2
North River	2.50	.60	9	10
N. W. National ..	25	5.00	72	78
Occidental	10	...	9	11
Pacific Mut. L. . .	10	2.00	27 1/2	30 1/2
Phoenix, Conn. ...	10	2.00	46	47
Prov. Wash.	10	...	15	17
Sprgfd. F. & M. .	25	4.50	64	66
St. Paul F. & M. .	25	6.00	100	103
Sun Life	100	...	285	305
Travelers	100	16.00	340	350
U. S. Fire	4	1.20	16	18
U. S. Fld. & G. .	2	...	4	5
Westch'r (new) .	2.50	1.00	12	13

*Ex. div.

TIME FOR SOME CHANGES

«»

IN their underwriting, investment and agency departments, companies have been compelled to introduce the most sweeping and drastic changes and reforms. As a result, most of them have attained a new high level of efficiency. Many of the old ideas and customs have been completely abandoned. The successful company of today is the one which has scraped off the barnacles, cast out the deadwood, and modernized itself in every way to meet the present situation.

If it is sensible, and even vital for a company to have its underwriting, investment and agency departments on a sounder basis, isn't it just as important for a company to make similar improvements in its advertising department?

What we mean is that in 1933 no insurance company should be so careless with its money as to buy souvenir pencils, art calendars, ornamental desk sets or the back page of a picnic or church program just as a gesture of good fellowship. Such things were done in '28 and '29 but they should not be tolerated in 1933. If they are they should be charged to "contributions"; contributions to the personal income of the salesmen who are given the order. They are not advertising.

No good insurance paper has anything to fear if the advertising departments of insurance companies make a housecleaning. Certainly the papers belonging to the Audit Bureau of Circulations haven't. There is no more effective and resultful way of reaching agents than through regular advertisements in well circulated insurance papers. In these stirring times agents are reading such papers more eagerly and carefully than ever before. Before you advertise in any insurance paper, though, be sure you know what and where its circulation is. Make the publisher prove his claims. Every well informed advertising man knows this can be done only through an A.B.C. statement.

(Number 26 of a series devoted to the merits of National Underwriter advertising)

«»

The National Underwriter

The leading weekly insurance newspaper

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

CHANGES IN THE FIELD

Kentucky, Tennessee Joined Bethel and Emrich to Handle Both States for Globe & Rutgers— Hatcher to Philadelphia

The Globe & Rutgers has combined its Kentucky and Tennessee field work. James W. Bethel, Kentucky state agent,

and Claud I. Emrich, special agent, located at Louisville, will hereafter look after both states.

Mr. Bethel is now in Tennessee visiting local agents there, accompanied by E. F. Hatcher of Nashville, Tennessee state agent, who will be transferred to the Philadelphia office of the Globe & Rutgers, from which he will handle field work in a territory embracing part

of New Jersey, Maryland and Pennsylvania.

Home Makes Kansas Change

Yankee Associate State Agent With State Agent Maupin Following Retirement of Barrett

Following retirement of William Barrett as special agent in Kansas for the Home of New York, H. W. Yankee, hitherto state agent for the National Liberty and Baltimore American, has

been made associate state agent for all companies in the Home fleet, and will work in conjunction with State Agent Curtman Maupin. G. L. Steeples, who has been special agent in Kansas for the Home for many years, continues in that capacity, with headquarters at Wichita.

J. J. Lane, S. J. MacMinn

J. J. Lane has resigned as state agent for the St. Paul Fire & Marine, Mercury and St. Paul-Mercury Indemnity for North Carolina and South Carolina. He will be succeeded Jan. 1 by S. J. MacMinn, who was formerly Philadelphia manager for the St. Paul group and for the past three years state agent for the Globe & Rutgers in the same field, including Maryland.

E. P. Kiesler

E. P. Kiesler of St. Louis, special agent of the American Central for the last eight years in southeastern Missouri, has resigned as of Dec. 31. He is a native of southeast Missouri. His father was at one time special agent of the American Central and therefore he has had an excellent schooling. The Commercial Union field men take over the work.

E. B. Travis, G. G. Phillips

E. B. Travis, who has been supervising Virginia for some years for the North Carolina Home, Massachusetts Fire & Marine and Rochester American of the Great American group, has been transferred to eastern North Carolina. The three companies will now be cared for in Virginia by G. G. Phillips, state agent for the American Alliance, who is a son of A. R. Phillips, vice-president of the Great American.

J. E. Mott, N. K. Nelson

The Great American has made a readjustment in its Kansas field. Special Agent J. E. Mott has been transferred from Topeka to Wichita and given charge of the western portion of the state. State Agent N. K. Nelson remains at Topeka in charge of eastern Kansas.

John H. Gray

John H. Gray, Ohio state agent of the North British & Mercantile for many years, will retire Dec. 31. Before that time arrangements for the succession, which are in progress, will likely be announced.

H. A. Sundberg

H. A. Sundberg, for several years state agent in Minnesota for the Svea and Hudson, has been appointed state agent for the Svea Underwriters of the Home in Minnesota, North and South Dakota, Kansas and Nebraska.

To Retire From Canada

The Fulton Fire is preparing to reinsure its Canadian liabilities in the Hanover, with which it is affiliated, and then retire from the Dominion. The Fulton seeks release of all its securities on deposit in Canada.

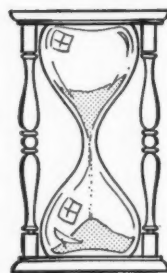
Agency Officers Elected

Following the recent death in an airplane crash of J. A. Montgomery, Jr., president of the important Wilmington, Del., agency of J. A. Montgomery, Inc., and of Gilpin, Van Trump & Montgomery, Inc., new officers have been elected. R. H. Wilson becomes president, W. T. White executive vice-president, R. G. Hackett vice-president and treasurer, and J. F. Sprague assistant secretary. J. H. Gill and F. D. Balch will continue as vice-presidents.

Mid-Winter Meeting Dates

The midwinter meeting of the board of directors of the National Fire Protection Association will be held in Atlantic City, Jan. 14.

CHANGE



AND ITS BEARING ON YOUR BUSINESS

Serious changes in values occur annually—whether the year be one of prosperity or depression. Man continues to discover and invent. New developments bring new hazards in one form or another. Hence existing values are enhanced or decreased—and new values appear.

This natural progress puts squarely up to America's Insurance Agents the problem of sincere and complete service to their clients. It means that they must keep a constant check on customers' needs. It usually means better business for the agent—frequently savings for the customer that increases his satisfaction with his agency service.

But, whatever it does, the duty is there—and in the long run agents profit well by giving unprejudiced assistance, by presenting specific advice on changes in insurance coverage.

The New Year approaches. Probably more than at any time of the year this is an ideal opportunity to contact your customers with a view to improving their protection. Here is a service that marks you as a progressive, thorough agent. Even though you may sell no new policies, this practical attention to individual needs cements to your office the loyalty of your customers.

Start this job now. And may it bring you greater profits for 1933.

Agricultural
Insurance Company,
of Watertown, N.Y.

Empire State
Insurance Company,
of Watertown, N.Y.

OFFERING ALL TYPES OF PROPERTY INSURANCE FOR INDUSTRY OR THE HOME

The Hallmark of Insurance



ORGANIZED 1853

« »

59 MAIDEN LANE

NEW YORK, N. Y.

**THE HOME
INSURANCE COMPANY
NEW YORK**

Strength

« »

Reputation

« »

Service

Relicensing of Bankrupt Agents Is Problem Today

DEPARTMENTS USE JUDGMENT

New York Officials Insist Producer Liquidate Premium Shortages Before Starting Over

NEW YORK, Dec. 14.—Considerable interest has been aroused here by the recent decision of Deputy Commissioner Corell of the Michigan department to the effect that he would adopt no general rule on the relicensing of former agents who had been through bankruptcy, but will judge each such case on its merits.

The attitude of the New York department is substantially the same as this in dealing with agents or brokers in such cases. It has, however, established certain principles in relicensing individuals who have been through bankruptcy. Chief of these is that, although an agent or broker may have legally wiped out his obligations by a legitimate bankruptcy, if these obligations include any premium shortages he must make them good before he will be considered a fit person to be licensed.

This is due to the fact that payments for premiums, especially when paid to brokers, are trust funds. This applies to agents also except in some cases where the contract is such that there is a debtor and creditor relation between the agent and the company.

Mingling of Accounts

The practice, discouraged by the department, of an agent or broker keeping premium collections and his own funds in the same bank account is a double source of trouble where bankruptcy threatens or is an actuality. He may have been going along for some time without realizing that he was \$2,000 or so short in his premium account. According to New York department officials the hard-pressed broker or agent, before he reaches the stage of actual bankruptcy, is usually in trouble for failure to account for premiums collected. Then, when he does get into bankruptcy some creditor attaches his bank account, in which his own money and premium collections are mingled.

A separate bank account, exclusively for premium collections, would not be subject to attachment and it would also make it impossible for the agent or broker to utilize these funds for his own purposes without knowing exactly what he was doing.

The New York law does not permit an individual whose license had been revoked to get it back in less than one year. If, after that period, he has made good his shortages without compromises he may be relicensed. Sometimes, however, the department will not revoke a man's license if it is convinced that he can and will work himself out of his difficulties within a reasonable time.

The department has broad powers in the granting of licenses, and can deny a license for incompetence, untrustworthiness, fraudulent or dishonest practices, violation of law or any provision of the insurance law, or any misstatement in the application. One of the questions asked on the application is whether the applicant has ever been through bankruptcy or made a general compromise of liabilities for the benefit of his creditors.

Commissioner Kidd's Letter

Another indication of the close attention that insurance departments are giving to overdue agency balances is contained in a recent letter sent by Commissioner Kidd of Indiana to all companies other than life, in which he asks for a complete list "of your Indiana agencies that are delinquent on Dec. 15 for premiums on policies written prior to Oct. 1, 1932," and stating that this information is requested for the purpose

Farmers Told How to Curb Fires in Rural Territories

BALTIMORE, Dec. 14.—Fire prevention and protection work must be extended to the rural and agricultural sections if the annual fire loss is to be reduced, T. Alfred Fleming, National Board, declared in a talk here last week before the annual convention of the Maryland State Grange.

"Statistics recently released," Mr. Fleming said, "show an astounding increase in the number of dwelling house losses and a staggering total of fires which have consumed all the buildings upon the farm. One of the most important features in agricultural fire prevention is the proper location of buildings. There are those who advocate the location of buildings so that each may be reached from the other without an addition of steps or subjection to weather conditions, but these so-called efficiency experts have never given a thought to the protection of farm property when fire takes place. Buildings should be located after due consideration of the prevailing wind and with the thought that all would not be subject to one fire. It is better to take a few extra steps during the daily activities than to have to build all barns and other out-buildings anew."

Modernization Causes Fires

Mr. Fleming pointed out the increased number of fires due to modernized electrical and gasoline powered equipment. He deplored the careless handling of gasoline. He called attention to the value of properly installed and maintained lightning rods which give over 98 percent efficiency in protection.

Mr. Fleming urged the use of private fire fighting equipment with extinguishers located at strategic points, the location, the type of fire which may have to be handled and the changing seasonal temperatures to be considered. He said that there was no reason why every community should not be protected by the organization of a rural fire department, properly trained and equipped for handling fires that occur on farms. He said that one of the best investments on any farm is a supply of a suitable quantity of water, either by the use of a cistern or damming of a stream.

Discuss Auto Cancellations

NEWARK, Dec. 14.—The executive committee of the New Jersey Underwriters Association met here recently with the committee appointed by W. A. Schaefer, president Casualty Underwriters Association of New Jersey, which made a survey of the flat cancellation of automobile policies in the state. There is a possibility that some action may be taken in the matter through the legislature. The matter will be discussed further by both associations.

Launch "Mutual Forum"

The Mutual Forum Publishing Company of Indianapolis has been incorporated to print an insurance magazine and do a general publishing business. The company is sponsored by the Grain Dealers National Mutual. The directors are J. J. Fitzgerald, Gage McCotter and Robert Eby.

of determining agents that are eligible for relicensing Jan. 1, 1933.

Last December Commissioner Kidd wrote the companies that agency balances should be paid within 45 days of the close of the month in which the policies are issued, and said that licenses of agents failing to pay their balances within that time are subject to revocation on the ground of the agents' failure to serve the interests of the companies and of the public.

Overlapping Issue Eyed from Many Sides by Many Interests

Special Committee to Be Named to Secure Views of Fire Companies—Casualty Men Also Interested

NEW YORK, Dec. 14.—Specific approval of certain features in the recent ruling of the New York department defining the lines of insurance that may be written under inland marine covers, and challenge of others, featured the extended review of the subject conducted by a special committee of the New York Fire Insurance Exchange. This report was given consideration at a joint meeting of representatives of the exchange and of the New York Fire Insurance Rating Organization, resulting in the authorizing of Chairman W. F. Dooley to appoint a special committee of three members of the latter body to secure the views of all fire companies operating in the state in the matter.

While the rules of Superintendent Van Schaick met general approval of the marine men, fire people were considerably upset, holding their observance would militate against the fire offices. They claim to have already lost considerable business to the marine institutions. The situation is complicated through the divergent views oftentimes held by the fire and marine departments of the same companies.

Casualty Men Concerned

The burglary writing casualty companies likewise have an interest in the situation, and at a meeting of the burglary department of the National Bureau of Casualty & Surety Underwriters yesterday the wisdom of reforming the jewelers' policy was discussed.

It is probable, too, that consideration of the rules will come up at the gathering of the executive committee of the Inland Marine Underwriters Association here tomorrow.

In promulgating the rules some weeks ago, Superintendent Van Schaick urged that support be given by departments of other states. While the matter was touched upon at the mid-year meeting of the National Convention of Insurance Commissioners last week, no action was taken, the feeling being that a number of problems yet remained to be solved and urged that until this be done concerted support be deferred.

Greenwich Board Elects

GREENWICH, CONN., Dec. 14.—L. F. Whelan was reelected president of the Greenwich Board at the annual meeting. C. J. Wold was renamed vice-president. T. J. Glines was elected secretary-treasurer, succeeding Stowe Wilder. The executive committee includes A. M. Boles, Old Greenwich; C. W. Carvette and E. L. Tracy, Cos Cob; C. E. Dayton and G. H. Duff, Greenwich.

Guy Macintosh Drops Dead

Guy Mackintosh, manager Sacramento office of the Fire Companies Adjustment Bureau, dropped dead Sunday at Gilroy en route from the Notre Dame-University of Southern California football game at Los Angeles. He was 51 years of age. He had been active as a field man and adjuster for the past 20 years.

Little Rock Veteran Dies

Fred Rossner, 83, who has been a local agent in Little Rock, Ark., for 34 years, died there Dec. 11, after an illness of only three days.

E. F. Frisch, associated with his father, J. J. Frisch, in the insurance business at La Crosse, Wis., died there.

Commissioners' Action in Appointing Committee to Consider Question Generally Approved

NEW YORK, Dec. 14.—The action of the National Convention of Insurance Commissioners in appointing a special committee to consider the writing powers of marine companies was fully expected, the general opinion being that any concerted action by the state authorities at this time would be ill-advised. Company officials contend that at least 12 months must elapse before the companies will be able to secure dependable experience on which a definite line of conduct can be predicated.

In the conflict of opinion that has existed between the fire and the marine men as to the line of demarcation that should be drawn between the classes of risks each is permitted to write, the former have been clearly outgeneraled by the latter. The marine underwriters at all of their conferences either among themselves or with department officials, have had the constant advice of able and experienced counsel, while the fire men, although well posted as to the insurance issues involved, were all at sea when legal points were discussed, as so frequently happened.

Legal Adviser Big Factor

Maj. A. G. Thatcher, chief legal adviser for the underwriters and probably the most astute man in his line in the country, is a veritable walking encyclopedia of marine insurance knowledge, being able to quote from memory the legal aspect of every hearing that has taken place in connection with the business for years past. Verbatim reports of all hearings on the marine insurance law, either before the department or before legislative committees, are to be found in his office, all carefully annotated. Thus fortified, Major Thatcher is able to argue all around the fire men, who feel keenly the need for legal assistance in the joint sessions.

In the past five years the marine companies have made serious inroads on lines of business heretofore considered the particular preserves of the fire offices, and under a broad interpretation of their powers are reaching out and getting risks of a desirable character long placed by local agents with their fire companies. Both fire company officials and their local representatives are concerned over the latitude exercised by the marine offices, and are insisting that the powers of the latter be kept within proper bounds.

Until measurable uniformity in the writing of marine covers is brought about in all states, friction between the fire and marine offices is bound to continue in some degree.

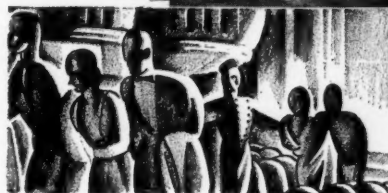
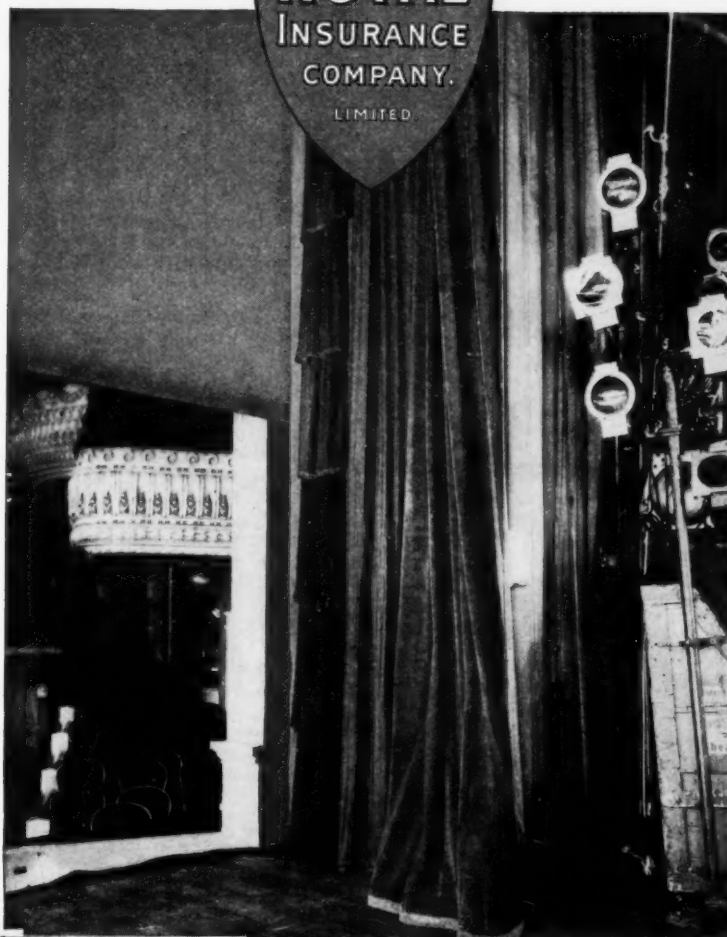
No Hotel Rate Increase

At a meeting of the executive council of the New Jersey Hotel Association in Elizabeth, A. T. Bell, chairman insurance committee, reported that arrangements had been made with the Schedule Rating Office of New Jersey, whereby there will be no increase in rates for frame hotels, with material reductions for new fireproof buildings, provided the hotels are members of the association.

O. M. Thurber Resigns

O. M. Thurber has resigned as agency supervisor for the Glen Cove Mutual, which has just recently formed an alliance with the Lumbermen's Mutual Casualty of Chicago. Mr. Thurber has not announced his future plans. He is at his home, 9 Highland Place, Sea Cliff, N. Y.

Security First



Courtesy Peter Clark, Inc.



"In case of fire, *walk*, do not run, to the nearest exit" . . . drilled into us by every theatre program since childhood.

The greatest fire hazard in the legitimate theatre is "backstage." Between the scenery and the audience is the fire-resistive curtain which can be instantly lowered to guard against loss of life through panic.

The safeguard of the public

Behind that curtain may rage an inferno of loss. Neither safety devices nor insurance can prevent fire.

Precaution can minimize the hazard, but only insurance can indemnify. The soundness of the insuring company is your client's guarantee of equitable settlement.

The Royal shield is the symbol of *security first*.

The safeguard of the assured

ROYAL
INSURANCE COMPANY LTD
 150 WILLIAM STREET ■ NEW YORK

Lists Causes of Excessive Automobile Finance Losses

(CONTINUED FROM PAGE 4)

collect from the customer. He recommended declining to deal with insolvent or dishonest dealers, enlisting the dealer's cooperation and holding down the cost per loss as well as the loss frequency. Flexible commission agreement should be effected with the insurer contingent upon satisfactory loss ratio. Demands should be made that cars be equipped with effective lock. The certificate should contain enough of the principal conditions of the master policy to be easily interpreted.

Mr. Featherston based his summary

on the results of a questionnaire sent to more than 100 finance companies and their insurance carriers. Some finance companies, he said, fear that because of the loss situation, they must begin to place single interest coverage on all of their policies. If this were done, many customers might ask for and demand the privilege of placing their own insurance.

While in Chicago the theft situation has been abnormally bad, in other places, collision and fire is a big problem. In Texas and Oklahoma fire is the first problem, Mr. Featherston said.

One finance company replied that it carries the insurance risk itself. The insurance protection is not emphasized to the customer and this finance company has not had more than 10 losses

since 1928. This demonstrates, according to Mr. Featherston, that too often the salesman, dealer or finance company over-emphasize to the assured the insurance feature. This is sometimes done to apologize for the carrying charge, he said.

No Insurance Required

Mr. Featherston said his concern has not required insurance on deals under \$100 and has had no insurance loss on any of these accounts.

Vehicles of seasonal usefulness are hazardous, he said. One company financed 60 trucks last year to be used in hauling cotton long distances to port. Thirty of these burned, 26 were repossessed and four paid out promptly.

Negligence on the part of the collection department is to blame to some extent for excessive fire losses, he said. Very often when a long delinquent customer is called upon to pay up, his car immediately burns.

When single interest coverage is purchased on questionable risks, the customer should be told that he has no insurance because the insurer would not carry him. If he protests, he can be requested to bring in a policy in a reputable company and the finance company will pay the premium. By that time,

according to Mr. Featherston, the customer will be impressed with the fact that he is being watched.

Home Working to Preserve Svea-Hudson-Skandia Plant

(CONTINUED FROM PAGE 4)

ters affecting the state. A finished linguist, he speaks Italian, French, English and several other languages as well as his native tongue, and keeps fully abreast of the literature in each of those countries.

Another member of the head office staff of the Svea who has been in this country several months is Bertil Ekdahl, foreign general inspector.

Disposition of Skandia

The Skandia, which entered the United States for reinsurance in 1916, embarked in the direct writing field as well two years ago. With the reinsurance of its direct business, its future activities will be restricted strictly to reinsurance. C. A. Nottingham, assistant United States fire manager of the Royal-Liverpool group, being its manager in this country as well.

Mr. Wennstrom retains the United States management of the Christiania General, exclusively a reinsurance company.

T. A. Manning & Sons of Dallas have been appointed general agents of the Baltimore American, Baltimore Underwriters and Hudson Underwriters of the Home group to replace the Svea, Hudson and Skandia, which they had represented previous to the reinsurance. Blagden Manning of the firm is in New York in connection with the change.

ARRANGEMENTS ON COAST

SAN FRANCISCO, Dec. 14.—Much interest is manifested here as to the future connections of the important Edward Brown & Sons and the Wallace, Phipps and Co., offices of this city; the former having been Pacific Coast managers of the Svea, Hudson and Skandia for years, and the latter general agents in a number of states for the same companies. Unconfirmed report has it that Brown & Sons will represent the Hudson Underwriters department of the Home in replacement for the retired companies, and that Wallace, Phipps & Co. will get representation of the Southern Fire, for California and Washington. The Southern is a member of the Home group.

Employment Committee of Blue Goose Named

C. M. Cartwright of THE NATIONAL UNDERWRITER, Chicago, has been reappointed general chairman of the grand nest employment committee of the Blue Goose. This year there will be a general chairman in Canada to take charge of the Dominion. H. Churchill-Smith of Montreal has been appointed to that position. The vice-chairmen in the United States are B. F. Freeman, West Newton, Mass.; T. B. Donaldson, Newark; Daniel Gober, Atlanta; A. H. Haynes, Dallas, Tex., and Wallace Kelly, San Francisco. W. A. Carter of Toronto is appointed vice-chairman under Mr. Churchill-Smith. The vice-chairmen will have charge of the employment work in their special jurisdictions. Mr. Cartwright will be in immediate charge of the Western Underwriters Association territory as well as acting as general chairman. The other jurisdictions are the New England Insurance Exchange, Eastern Underwriters Association, Southeastern Underwriters Association, southwest territory and the Pacific Board. Each pond will have an employment chairman and he will report to the vice-chairman of his district.

Qualified Fire Insurance Manager

Can find a place managing the fire department of a general insurance agency.

Prefer man who controls some business.

Thomas E. Hanlon

First National Bank Building
Cincinnati, Ohio



A MODEL, according to our dictionaries, is a small imitation of the real thing. Thus the result of squeezing a soaked sponge is a very good model of a sprinkler system in action. Just a few drops of water on your prospect's desk will demonstrate effectively the damage sustained to merchandise when a sprinkler head is accidentally opened. . . . Of course it would be disastrous for you to follow this model sales demonstration to the letter, but now, during freezing weather, it should not be difficult for you to convince prospects that Sprinkler Leakage Insurance is necessary — and that in the "Springfield Group" it is the real thing!

THE SPRINGFIELD GROUP OF FIRE INSURANCE COMPANIES

SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY

Chartered 1849 Cash Capital, \$5,000,000.00

SPRINGFIELD, MASSACHUSETTS

GEORGE G. BULKLEY, President

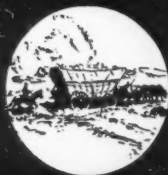
Harding & Linsinger, Mgrs., Chicago. John C. Dornin, Mgr., San Francisco. W. E. Pindley, Mgr., Montreal

CONSTITUTION DEPARTMENT, Springfield, Massachusetts

SENTINEL FIRE INSURANCE COMPANY, Springfield, Massachusetts

MICHIGAN FIRE & MARINE INSURANCE COMPANY, Detroit, Michigan

NEW ENGLAND FIRE INSURANCE COMPANY, Pittsfield, Massachusetts



Specify Stock Fire Insurance

DURING THE GOLD RUSH DAYS OF '49, THE GLENS FALLS MADE ITS BOW

Glens Falls

OLD AND TRIED

Since the 1870s the slogan OLD AND TRIED has been an integral part of the trade mark of the Glens Falls Insurance Company.

What does this mean to you? If you are a stranger to the Glens Falls it will mean that the company has passed through various tests and trials over a long period of time with finances and strength unimpaired.

If you are an agent or a policy holder, it means much more. To you who know us, it means that the Glens Falls has

been through the test of personal contact and has not been found wanting—that it is Old and Tried in friendliness, fairness and financial strength.

To us—the personnel of the organization—the slogan OLD AND TRIED is a tradition and an inspiration. It symbolizes the success of the past, the tests through which the company has passed successfully and spurs us on to deserve and maintain by our actions the friendships, reputation and financial stability already builded.



DURING THE GOLD RUSH DAYS OF '49
THE GLENS FALLS MADE ITS BOW

Glens Falls
INSURANCE COMPANY
Glens Falls, New York

COMMERCE
INSURANCE COMPANY
Glens Falls, New York

Glens Falls
INDEMNITY COMPANY
Glens Falls, New York





PHOENIX ASSURANCE COMPANY, Ltd. of LONDON

150 William Street, New York

150th Anniversary

Time-tested Depression-proof

An Insurance Company that has endured and prospered for 150 years is a good one to represent.

You can expect such a Company to continue in the future to uphold proper practices and co-operate with its Agents as it has in the past.

One hundred and fifty years means more than age—it means experience, sound and sane judgment, underwriting skill.

PHOENIX INDEMNITY COMPANY

55 Fifth Avenue, New York

Metropolitan Department, 150 William Street

FRANK J. BUCHER, President WM. F. KRAMER, Secretary

Organized 1865

The RELIABLE FIRE INSURANCE COMPANY DAYTON, OHIO

Surplus to Policyholders \$920,218.00

An independent Ohio Company with a record of more than 65 years of honorable dealing with Agents and Assureds

National Inspection Company

Incorporated 1903

This corporation reports on the underwriting aspects of heavy manufacturing and mercantile properties throughout the following states:

Michigan
Wisconsin
Minnesota
Ohio

Indiana
Illinois
Iowa
Nebraska
Missouri

Kansas
Kentucky
Tennessee
Oklahoma
West Virginia

Managed by

J. G. Hubbell

H. B. Chrissinger
176 West Adams St., Chicago, Ill.

R. L. Thiele

VIEWED FROM NEW YORK

By GEORGE A. WATSON

GANDY RETURNS HOME

After spending some days in New York City attending various agency conferences, C. L. Gandy, president of the National Association of Insurance Agents, left for his Birmingham, Ala., home Dec. 9. On the evening of that date he stopped to address a joint meeting of members of the Scranton and Wilkes-Barre, Pa., local boards.

BROKERS' ANNUAL MEETING

The annual meeting of the General Brokers Association of the metropolitan district was held Wednesday evening. Arthur Arnow headed the slate of officers. The vice-presidential nominees were Harry Broadman, Julius Margolias, W. J. McLaren, S. N. Schwartz and G. F. Sullivan. Leonard Jacobs is named secretary; Joseph Wank, assistant secretary; Abraham Prusoff, treasurer; for executive committee, Herman A. Bayern, J. A. Donohue, B. M. Edgerton, B. E. Frank, Nathan Greenbaum, D. M. Herstein, R. M. Keleher, P. E. Kramer and Paul Simon.

AIRPLANE TRAVEL INCREASES

Travel by airplane as well as the carrying of mail and express matter is one of the few businesses to show an increase this year. Passenger travel during 1932 will total 525,000 persons, an increase of 56,000. Miles flown will aggregate close to 48,000,000, an estimated increase of over 5,000,000 miles.

Further interesting data in connection with airplane transportation developed by the Continental of New York in a survey, is that the volume of express matter carried this year will show an increase of 572,000 pounds for a total of 1,360,000 pounds.

Airplanes use 5,000,000 gallons of gasoline and require approximately 600,000 gallons of lubricating oil in a year. While there have been a number of fires and accidents involving insured planes the underwriting experience of the companies associated with the Continental as members of the Associated Aviation Underwriters, has been favorable, the

better understanding of plane construction and operation and improved landing fields making for constantly greater safety in airplane transportation. Popular as this form of travel has grown to be, there is no doubt that it will gain still further and in time will become a major industry.

SHALLCROSS IS REELECTED

C. F. Shallcross, United States manager of the North British & Mercantile, was reelected president of the Eastern Underwriters Association at the annual meeting. All other officers were also reelected, they being Ralph B. Ives of the Aetna and J. Lester Parsons of Crum & Forster, vice-presidents, and B. M. Culver, America Fore, treasurer.

The resignations of the Metropolitan Fire of Chicago, LaSalle Fire of New Orleans and Bankers & Merchants Fire of Jackson, Miss., were accepted, these companies no longer operating in Eastern Underwriters Association territory.

F. C. Hatfield, chairman of the committee on rates and rating methods, outlined the economies that have been accomplished in rating organizations in the E. U. A. territory, including the recent consolidation of four rating organizations in Pennsylvania and the advance made in the simplification of rating schedules.

MAIL VOTE ON MEETING PLACE

Decision as to the place and time of the mid-year meeting of the National Association of Insurance Agents will be reached following a mail vote of the executive committee shortly to be undertaken. While Augusta, Ga., has invited the gathering to that city, there is no assurance that the proposal will be accepted; rather the impression is general that a more central point will be selected. The mid-year meeting usually takes place in March or April, and presumably such policy will be followed for 1933. These gatherings are given over wholly to consideration of business problems; no entertainment feature having a place on the program.

Buckman Is Made Chairman

California Association of Insurance Agents Announces the Members of Its Executive Committee

C. T. Buckman, first vice-president California Association of Insurance Agents, has been appointed chairman of the executive committee to serve with following appointees announced by W. H. Menn, president: Eugene Battles, Los Angeles; Percy H. Goodwin, San Diego; W. A. Reynolds, Auburn; T. W. Thomas, Stockton; H. B. Scudder, Sebastopol; William T. Welsh, Pasadena, and P. S. W. Ramsden, Oakland. First meeting of the new officers and executive committee will be held in Oakland, Dec. 18.

American Colony Change

Stockholders of the American Colony Thursday are voting on a proposal to reduce paid-in capital from \$750,000 to \$450,000. Par value of the shares is to be changed from \$10 to \$6.

The American Colony is one of three companies in which the Underwriters Equities, holding company, is interested. The Underwriters Equities was organized by David M. Milton and Associates, who recently obtained control of the Majestic Fire. The Underwriters Equities has made an offer of one share of the holding company for each one-half share of the American Colony or one share of Majestic Fire or one and

one-half shares of American Merchant Marine.

To Reduce Capital

Capital of the Metropolitan Fire of Chicago will be reduced from \$250,000 to \$125,000, par value of the shares to be cut from \$10 to \$5, if stockholders ratify the proposal Dec. 21. The Metropolitan retired from active underwriting a few months ago. It had been operating as a member of the Crum & Forster group.

J. M. Dempsey Resigns

BOSTON, Dec. 14.—J. M. Dempsey, who has been New England and New York State manager of THE NATIONAL UNDERWRITER for several years past with headquarters in Boston, has resigned and will probably take up some phase of life insurance work. He has lectured extensively before both ordinary and industrial agents giving educational and inspirational talks. Before coming to Boston, Mr. Dempsey represented THE NATIONAL UNDERWRITER at Des Moines. He is well known to life insurance men in various parts of the country.

Mr. Dempsey is succeeded in New England and New York State by Charles A. Johnson, who has had an extended experience, both in insurance and insurance publishing work.

Engineer Donald Killed

Charles Donald, engineer sprinkler department of the Pacific Board, was instantly killed in an automobile accident Dec. 10 at Richmond, Cal.

Changes Are to Be Made in Blue Goose Life Insurance

RATE BASIS TO BE ALTERED

Conversion Privilege Will Be Revised

- Disability Coverage Eliminated
- Suicide Clause Inserted

A number of changes in the Blue Goose life insurance cover will be instituted Jan. 1, according to announcement of the life insurance committee of the order.

A new master policy will be issued by the Lincoln National Life under which certificates, in the same amount as now carried, will be issued to insured members under age 65. At that age, the contract will automatically be converted to an ordinary life contract, for one-half the amount of term insurance and at a rate which will be practically the same for the new insurance as the member has paid for the term insurance during the previous five years.

Conversion Privilege

Another change is that when a member has had the multiple life coverage continuously in the Lincoln National for four years, the two years just passed to be construed as a part of this term, he may convert his insurance to any Lincoln National policy, with the exception of term. This privilege will extend to attained age 60 without evidence of insurability and from ages 60 to 64 with evidence of insurability. At age 65 the coverage is automatically converted to the ordinary life plan at a semi-annual premium of \$50.38 for \$1,250 of insurance.

After Jan. 1, instead of the age groups being divided into ten year periods, they will be divided as follows: Ages 20-29, semi-annual insurance dues \$11.15; ages 30-34, \$11.65; 35-39, \$12.50; 40-44, \$13.95; 45-49, \$17.75; 50-54, \$24.20; 55-59, \$34.35; 60-64, \$50.

The life insurance committee reports that for the past two years the Lincoln National has paid \$254,000 under the Blue Goose contract and has received in premiums \$239,449.

Under the new contract, income disability coverage will be excluded and a two year suicide clause is inserted.

The Lincoln National has demanded that the Blue Goose enroll 1,000 more members next year under the insurance plan as a condition for continuance of the contract.

Arson Charged in Marine Loss

DETROIT, Dec. 14.—Capt. William Nicolson, veteran lake captain and steamship owner; Charles Nicolson, his nephew, and eight other men are charged with arson and conspiracy as a result of the burning of the steamships "Dover" and "Keystone" in Ecorse slip on June 23. The marine carriers on the risk paid Captain Nicolson part of \$285,000 coverage following the loss, one of the most severe on the lakes in years. Arson was not suspected at the time but came to light recently because of blackmailing which followed the partial payment of the claim. Authorities term the case one of the boldest arson plots in the history of the country.

Kemp Fire School Speaker

NEWARK, Dec. 14.—Archibald Kemp, vice-president of the Firemen's group, spoke at the North Jersey Fire School here recently of "Encouraging Selfishness." Deputy Chief Thomas Dougherty of New York City spoke on "Ventilation in Fighting Fires."

Educational Committee Named

P. J. V. McKian of the Western Actuarial Bureau, Chicago, has been appointed chairman of the Blue Goose

educational committee, by Most Loyal Grand Gander McKinley. The other members are: H. J. Cave, Vancouver; W. F. Dunbar, Atlanta; V. W. McKinney, Los Angeles; J. H. Schively, San Francisco; Leon Watson, Newark; T. R. Weddell, Chicago. The committee will sponsor luncheon meetings of the various ponds, at which talks will be made on some phase of insurance.

Mutual Dividends Cut

The Mill Owners Mutual Fire of Des Moines after Jan. 1 will raise its rates for non-participating policies and will adjust the dividend scale on participat-

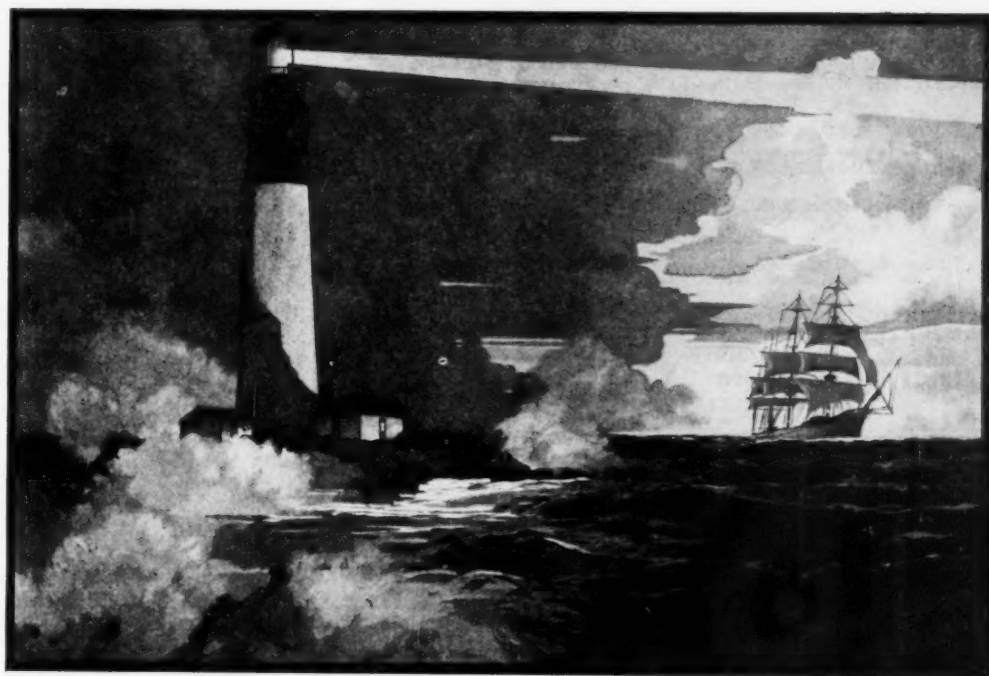
ing policies downward. Non-participating policies will be written at 85 percent of tariff rate. At present fire policies are written 20 percent off manual and windstorm at 25 percent off.

Whereas dividends on participating policies now vary from 25 percent to 55 percent, after Jan. 1 the range will be 25 to 50 percent. All dividends were reduced 5 percent except those that have been getting 25 percent, who will get the same.

Meserole to File Own Rates

The Meserole companies — Pacific Fire, Bankers & Shippers and New Jer-

sey—are preparing to file their own rates for Philadelphia and Allegheny county, in view of the fact that these companies will not join the new Middle Department Rating Association. Those companies have belonged to the Philadelphia Fire Underwriters Association and the New Jersey has belonged to the Board of Fire Underwriters of Allegheny, but none of the companies belong to the Underwriters Association of the Middle Department or the Philadelphia Suburban Underwriters Association. Therefore, these companies have been filing their own rates for Pennsylvania outside of Philadelphia and Allegheny county.



PROTECTION



Symbolizing the protection offered by this Company since 1848, this picture in beautifully blended colors appears on hundreds of thousands of calendars for 1933, now being distributed to clients and prospects by Ohio Farmers representatives. These calendars, complete with a date pad having really readable figures, are one reason why Ohio Farmers agents are well known insurance men in their communities.

**OHIO FARMERS
INSURANCE COMPANY**
LEROY • OHIO

Would you like one of these calendars for your own personal use? If so, please send the coupon below to the home office at LeRoy. We will gladly send you a copy of this 1933 calendar with our compliments.

Advertising Dept.,
Ohio Farmers Insurance Co.,
Box 201,
LeRoy, Ohio.

Please send me a 1933 calendar.

Name

Street

City

State

I understand this does not obligate me in any way.

THE NATIONAL UNDERWRITER

Published every Thursday by THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati, and New York. EDWARD J. WOHLGEMUTH, President; JOHN F. WOHLGEMUTH, Secretary; HOWARD J. BURRIDGE, Vice-President and General Manager; W. A. SCANLON, GEORGE C. ROEDING and O. E. SCHWARTZ, Associate Managers

C. M. CARTWRIGHT, Managing Editor
LEVERING CARTWRIGHT, Asst. Managing Editor
FRANK A. POST, Associate Editor
CHARLES D. SPENCER, Associate Editor
DALE R. SCHILLING, Associate Editor

PUBLICATION OFFICE, A1946 Insurance Exchange, CHICAGO. Telephone Wabash 2704
CINCINNATI OFFICE, 420 E. Fourth St., Tel. Parkway 2140. RALPH E. RICHMAN, Manager
ABNER THORP, JR., Director Life Insurance Service Dept.

NEW YORK OFFICE
803-123 William St., Tel. Beekman 3-3958

EDITORIAL DEPT.
GEORGE A. WATSON, Associate Editor
R. B. MITCHELL, Assistant Editor

BUSINESS DEPT.
NORA VINCENT PAUL, Vice-President
W. J. SMYTH, Resident Manager
ALBERT S. CUTLER, Manager Industrial Dept.

DES MOINES OFFICE
627 Insurance Exchange
R. J. CHAPMAN, Resident Manager

SAN FRANCISCO OFFICE
407-8 Flatiron Bldg., Tel. Kearny 3054
FRANK W. BLAND, Resident Manager
MISS A. V. BOWYER, Pacific Coast Editor

DALLAS OFFICE
911 Southwestern Life Bldg. Tel. 2-6065
R. J. McGEHEAN, Resident Manager

PHILADELPHIA OFFICE
628-123 S. Broad St., Tel. Pennypacker 3706
E. F. SMALLWOOD, Resident Manager

DETROIT OFFICE
1015 Transportation Bldg., Tel. Randolph 3994
A. J. EDWARDS, Resident Manager

SOUTHEASTERN OFFICE—ATLANTA, GA.
204 Atlanta National Bank Building
SETH WHITE, Resident Manager

Entered as Second-class Matter April 28, 1928, at Post Office at Chicago, Ill., Under Act, March 3, 1879

Subscription Price \$4.00 a year; in Canada, \$6.50 a year. Single Copies 20 cents.
In Combination with Life Insurance Edition, \$5.50 a year; Canada \$10.50



Unemployment Insurance Near

WE cannot escape unemployment insurance. Whether a plan can be worked out that will enable private companies to write it satisfactorily remains to be seen. Unemployment insurance involves a large social service and with little experience to guide us, outside of that abroad, we will for a time at least sail a sea that is not well charted. Perhaps unemployment insurance, involving as it does, such a wide scope of beneficence becomes a governmental enterprise. Certain it is that the legislatures have it soon to meet.

This question will be a paramount one, especially as the principle has been endorsed by the AMERICAN FEDERATION OF LABOR at its recent convention in Cincinnati. Wisconsin has already adopted a law pertaining to unemployment insurance. Thus far nine state commissions have favorably reported on the principle of insurance of this character. It is predicted that between 15 and 20 others will consider unemployment insurance propositions in their forthcoming legislatures.

Naturally any measure enacted will have to be based more or less on the results of European plans. There is plenty of theory being expounded. In view of the fact that this question does loom up as an important one, many organizations and associations have studied the question and are trying to devise schemes. Employers object to any further compulsory provisions placed upon them because they already are burdened and it is a question how much more they can pass on to the consumer. The plan underlying almost all propositions is for the employer to contribute a certain amount and the workman a certain amount.

The Ohio commission on unemployment insurance has been hard at work holding

hearings throughout the state. The bill it recommends provides that employers pay 2 percent of their payroll and the employees 1 percent of their wage into the insurance fund. Fifty percent of the worker's weekly wage would be paid to him over a maximum of 16 weeks after a waiting period of three weeks if he were totally unemployed. In any case, the benefit would not exceed \$15 a week. Governor ROOSEVELT of New York a couple of years ago vetoed a bill which would have granted a private insurance company the right to go into the unemployment insurance field. The actuarial work for the Ohio committee was done by Dr. I. M. RUBINOW, secretary of the INDEPENDENT ORDER of B'NAI BRITH. He was president of the CASUALTY ACTUARIAL SOCIETY for two years and is author of the Rubinow accident table.

Business men undoubtedly feel that some form of unemployment insurance will have to be recognized. Many insurance executives who have investigated the question thoroughly are inclined to doubt whether this is an insurable proposition for a private company. The danger lurking in the air is that half baked schemes may be adopted without sufficient flexibility and thus we may have settled on us measures which do not fill the bill.

A LITTLE while ago the WOMEN'S ADVERTISING CLUB of Chicago offered a prize for a definition of advertising. The winning definition was this: "Advertising is the art, science and business of creating a favorable public acceptance of, demand or desire for, any worthy product or service." It seems to us to be a pretty good general definition of salesmanship.—*Mutual Life Points.*

PERSONAL SIDE OF BUSINESS

James McFadden, secretary of the Atlas and vice-president of the Albany, died last week of a heart attack after a week's illness with a severe cold.

Mr. McFadden became connected with the Atlas through a series of mergers. He was first with the old American of New York in 1896. This was taken over by the Manchester Assurance in 1898, and the Manchester was merged with the Atlas in 1905. He was at one time special agent in western Pennsylvania for the Atlas and then was transferred to eastern Pennsylvania and New Jersey. He went to the United States head office in 1924 as general agent for the middle states and was made secretary and vice-president last year.

B. G. Dawes, president of the Eureka Security, takes an active part in Cincinnati's civic activities. Last week Mr. Dawes engaged in a public debate on immediate payment of the soldiers' bonus. Mr. Dawes opposed this immediate payment and spoke with characteristic Dawes clarity and forcefulness.

R. Leighton Foster, insurance superintendent of Ontario, who has attended the meetings of the National Convention of Insurance Commissioners religiously, seemingly will no longer have a monopoly on Canadian attendance at these gatherings. B. A. Dugal, insurance superintendent of Quebec, has been breaking into the United States ramparts. He attended the meeting in New York December of last year. He went with the commissioners on their pilgrimage through Texas in October and last week he joined Mr. Foster in representing the Canadian organization in New York.

Willard Quinn, head of the Kansas Underwriters general agency at Wichita, Kan., was reelected president of the Kansas Associated Garden Clubs at its meeting at Topeka.

Mrs. I. M. Gausepohl, mother of J. H. Gausepohl, president of the Kentucky Association of Insurance Agents, and a sister of Ben A. Adams, president of the Adams Insurance Agency at Covington, Ky., died Thursday. Another son of Mrs. Gausepohl, Nicholas, is also connected with the Adams Insurance Agency.

C. P. Hamilton, senior partner in the long established agency and brokerage firm of Benedict & Benedict, New York City, died at his home in Long Island City, Dec. 9. He was 67 years of age.

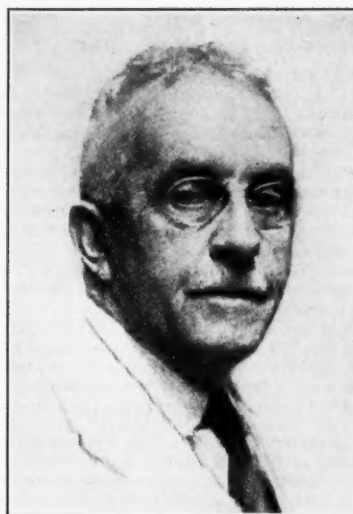
Sam T. Morrison of the Morrison & Parsons agency of Iowa City, former president of the Iowa Association of Insurance Agents, has returned from a fishing trip in the Gulf of Mexico. Ralph L. Parsons, Mr. Morrison's partner, has just been elected president of the Iowa City Country Club. Mr. Parsons is an expert amateur golfer and his office is decorated with cups that he has won.

W. F. Boggess, deputy commissioner of West Virginia, and Mrs. Boggess are recovering from injuries suffered when their automobile overturned near their home town of Ripley, W. Va.

Harold M. O'Brien, vice-president of the Lincoln Fire in the Chicago Fire & Marine department, has gone to the Pacific Coast to recover completely from an abdominal operation.

The executive committee of the National Board has adopted a memorial to the late John B. Morton, former vice-president of the Fire Association, who was once president of the National Board. Benjamin Rush, president of

Connecticut Governor at Insurance Assembly



WILBUR L. CROSS

Governor Cross of Connecticut is one of the after luncheon speakers during Connecticut Insurance Day at Hartford.

the North America, was chairman of the memorial committee, the other members of which were Gustavus Remak, Jr., president of the State of Pennsylvania; Wilfred Kurth, president of the Home; Sumner Ballard, president of the International, and O. E. Lane, president of the Fire Association.

C. P. Holmes of the Western Actuarial Bureau at Chicago is receiving the condolences on the death of his daughter, Martha Alice, age 11 years. The funeral was held Monday afternoon at St. Augustine's Episcopal church in Wilmette, where the Holmes reside. Mr. Holmes in addition to his Western Actuarial Bureau work is instructor in engineering and fire prevention at Armour Institute and Northwestern University.

Robert L. Bruen, for several years an independent adjuster at Minneapolis, died this week. Until Crum & Forster acquired control of the Western and British America, Mr. Bruen was special agent of those companies in Minnesota and the Dakotas. In his day Mr. Bruen was one of the outstanding field men of the northwest. He was a member of the Minn-Dako-Wis tribe.

All Delinquents Must Be Reported Under New Rule

Many members of the Western Underwriters Association feel that the most important feature of the new delinquent agency balance rule, which has been adopted by that organization for use in the various field clubs, is that all agents whose balances are delinquent must be reported. The field man who has no delinquent agencies must certify to that effect. This eliminates the chance for the field man to play favorites among his agents and all agents who allow their balances to run over 90 days will be on exactly the same basis.

Heretofore a field man reported when he needed help. Now he will report everybody and other people probably will decide whether he should act. He will forfeit all right to help in the Jones agency if he fails to include it in his monthly list of delinquents.

Globe & Rutgers

FIRE INSURANCE COMPANY

111 William Street, New York City

Semi-Annual Statement July 1, 1932

*ASSETS	\$58,791,139.31
**CAPITAL	7,000,000.00
SURPLUS	7,754,937.61
ALL OTHER LIABILITIES	44,036,201.70
Surplus To Policyholders	14,754,937.61
*Valuations of Securities on New York Insurance Department Basis.	
**As of July 30, 1932, \$5,000,000 of Such Capital Was Transferred to Surplus.	
Losses Settled and Paid Since Organization Over	\$304,000,000

THIRTY-THREE YEARS RECORD

	ASSETS	RESERVE	SURPLUS
Dec. 31, 1899	\$ 529,282.59	\$ 26,832.54	\$ 3,038.94
Dec. 31, 1904	3,003,725.08	1,406,295.92	804,709.46
Dec. 31, 1909	5,177,134.99	1,830,603.29	2,398,322.48
Dec. 31, 1914	8,966,071.46	3,461,689.22	3,619,694.66
Dec. 31, 1919	33,687,274.25	13,447,880.00	10,146,031.00
Dec. 31, 1924	60,654,703.06	20,280,922.14	19,810,623.92
Dec. 31, 1925	67,922,096.58	20,265,572.73	24,161,943.85
Dec. 31, 1926	71,740,996.88	21,162,599.90	25,610,575.98
Dec. 31, 1927	80,193,738.67	21,794,727.64	29,514,599.03
Dec. 31, 1928	98,190,644.96	24,332,695.62	37,252,917.34
Dec. 31, 1929	105,991,540.45	26,803,146.42	44,315,436.03
Dec. 31, 1930	87,416,300.55	27,340,139.34	30,109,790.21
Dec. 31, 1931	80,863,641.33	28,081,609.59	*26,732,004.74

*Valuations approved by National Convention of Insurance Commissioners.

OFFICERS

E. C. JAMESON, President

H. EDW. BILKEY, Vice-President

J. D. LESTER, Vice-President

W. H. PAULSON, Vice-President

LYMAN CANDEE, Vice-President

J. H. MULVEHILL, Vice-President and Secy.

A. H. WITTHOHN, Vice-President

A. G. CASSIN, Secretary

J. L. HAHN, Secretary

SCOTT COLEMAN, Assistant Secretary

A. W. TAYLOR, Local Secretary

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Curtailing Fire Protection

Lack of Municipal Revenue Is Forcing Number of Cities to Cut Down Operations

Several Ohio cities are considering drastic cuts in fire department operating personnel and equipment. Bellaire has reduced its protection to the danger point. This city has no funds for purchase of needed hose. But one of its trucks carries a full complement of hose and no reserve supply is available. Cuyahoga Falls, a city of 19,000 people, is considering a return to the volunteer system but this will probably be blocked when citizens understand effects on insurance rates.

Alliance, O., plans to close one fire station. This city is in class 5 by an ample margin so that it may be possible to close the station without a rate increase.

Dover recently passed an emergency ordinance restoring discontinued fire protection when it was learned that the town would lose its rating class except for this action.

Akron and Hamilton are facing the demand for radical curtailment in fire department expenditures and may not find any other way out.

Arson Work in Cleveland Commended by N. F. P. A.

The National Fire Protection Association reports that a remarkable piece of work on control of arson is being done in Cleveland under the guidance of Chief Granger of the fire department and Chief Barrett of the Fire Prevention Bureau. The squad has been created, including a fireman with legal training, two detectives, a policewoman, four fire inspectors and two firemen. More than 40 convictions have been secured this year.

An extensive program for rehabilitating the fire department has been recommended by a special investigating committee appointed by the mayor. A. E. Hendricks of the Monarch Fire served as secretary of the committee. The city council has as yet taken no action on the report.

Hale's Course Popular

CLEVELAND, Dec. 14.—Examinations on the first half of the course in property insurance which is being conducted at Fenn College by C. G. Hale, Cleveland local agent, are to be held

next week. The total is 60. If the interest keeps up as indicated by the number of inquiries the course will probably be offered again next fall.

Marietta College has invited Mr. Hale to address its insurance students next month on "Depression Considerations in Choosing an Insurance Company."

W. Va. Record Improves

State Fire Marshal Stahlmann of West Virginia reports the fire loss in that state for the first 10 months this year \$3,038,940, which is 30 percent less than for the same period last year. The department conducted 274 inspections and investigated 205 suspicious fires. Thirty-one indictments and four convictions for arson were reported.

New Rate Books to Issue

New rate books will be issued within the next few weeks for Mt. Vernon, O., and Circleville, O. New rates for Newark, O., are going out regularly on cards from the Columbus office.

No December Cleveland Meeting

CLEVELAND, Dec. 14.—The next meeting of the Insurance Board of Cleveland will be held Jan. 11. There will be no meeting in December. The annual meeting will be held Feb. 8.

R. B. Crisswell in Hospital

R. B. Crisswell, inspector and fire department instructor for the Ohio Inspection Bureau, is at the University hospital in Columbus, O., recovering from an appendicitis operation. He expects to get out within the next week.

Women Form Bowling League

Young women employed in several of the insurance offices at Columbus, O., have organized a bowling league. The league is composed of teams from the Ohio State Life, Buckeye Union Casualty, Ohio Farm Bureau (two), State Automobile and Columbus Mutual.

Ohio Notes

R. T. Lake, Massillon, O., local agent, ended his life by shooting a few days ago.

Harry Staley, operating as the Staley Agency Company, Canton, O., has been appointed agent for the Aetna.

W. C. Park, 48, head of the Park Brothers agency, Columbus, died Monday morning after 13 weeks' illness of diabetes.

CENTRAL WESTERN STATES

Scores Loose Appointments

Indiana Department Official Gives Views on Unqualified Persons as Field Representatives

INDIANAPOLIS, Dec. 14.—C. A. Woerner, rate supervisor Indiana insurance department, has some decided views on the subject of agency appointments. Too many companies are indifferent as to the qualifications for the business of many of the agents they appoint, he maintains. Enough information is disclosed in connection with appointments to show that undoubtedly

there are still many persons given agency licenses who have failed in other lines of endeavor. Also too many appointees are of the truck driver, barber and like type, without any business experience that would qualify them to write insurance.

Occupy Field Men's Time

Much of the trouble that the department has to smooth out is traceable to such unwarranted appointments. Mr. Woerner points out that such agents consume much of the field men's time, all out of proportion to what they may produce. Further, the tendency on the part of companies to overload agents showing the least bit of promise with

appointments is bad practice in the opinion of Mr. Woerner.

Ben C. Cooper Dies

Ben C. Cooper, local agent and independent adjuster of Ottawa, Ill., died suddenly at his home Sunday. He was about 62 years of age. Funeral services were held Wednesday. Mr. Cooper was formerly in the western department office of the old Phenix of Brooklyn and was later an examiner in the western department of the Royal. He then went to Ottawa and started in the local agency and adjusting business. Mr. Cooper has a son in the business who will carry on.

Seek Enforcement of Rules

T. R. Dungan, president Indiana Fire Underwriters Association, has appointed a committee to draft a resolution to be presented at the next monthly meeting, designed to secure full and active cooperation of the membership in the enforcement of rules, with suitable penalties for lack of cooperation. Like measures have been adopted by associations in other states with very satisfactory results.

Two Seek Livingston Post

DETROIT, Dec. 14.—John R. Walsh of the Milton L. Woodward general agency of the Northwestern Mutual Life and T. F. Gaffney, head of the Gaffney agency and former vice-president and general manager of the Title Guaranty & Casualty of Detroit, both prominent Democrats, are going out aggressively after the Michigan insurance commissionership with the aid of their friends and associates. Governor-Elect Comstock has given no intimation as yet of his plans for appointment of a commissioner.

Wiley Names Committees

R. D. Wiley, most loyal gander of the Illinois Blue Goose, has made the following appointments: Guards to the custodian of the pond, F. C. McAuliffe, T. A. Barbee, L. W. Brown, H. Hohenstein, R. E. Minner and D. M. Vance; life insurance committee, W. J. Sonnen, chairman; C. J. Lingenfelder, A. J. Meyer, J. L. Cassell, J. W. Burden and C. B. Temme; membership, R. F. Woltersdorff, chairman; C. G. Wonn and

J. D. LaTeer; social, John Chickering, chairman, C. J. Lingenfelder and P. J. V. McKian; educational, P. J. V. McKian, chairman; Levering Cartwright and T. R. Weddell; relief, J. E. Mattimore, chairman; G. T. Mielke, J. N. Miller, R. E. Minner and J. D. LaTeer.

Twelve Members in Insurance

Twelve members of the Illinois legislature, which will convene in January, are in the insurance business, three senators and nine representatives, according to Secretary E. M. Ackerman of the Illinois Insurance Federation. There are 18 new senators and 52 new house members. M. B. Lohmann, of Pekin, Ill., a new senator, is in insurance, his agency representing a number of prominent fire and casualty companies. He served five terms in the house. J. C. Kluczynski of Chicago, a new representative, is in the insurance and real estate business.

Progress in Indiana

The National Fire Protection Association reports that in September and October of this year 44 dilapidated buildings in Indianapolis were torn down, 12 more were boarded up and 11 were repaired.

In Evansville a fire prevention committee has been created by the chamber of commerce and the National Fire Protection Association organization plan for fire prevention committees has been adopted.

Boonville Agent Honored

C. L. Taylor of Taylor & Harpole, local agents at Boonville, Ind., was presented a 25-year service gold watch-fob by the Continental at a banquet in his honor at Evansville, with several company representatives present, including C. J. Lingenfelder of Chicago, superintendent of agents, and Carl V. Nipp, Indiana state agent.

H. W. Schmenan, president of Schmenan & Sons, Detroit general agency, is in a hospital there for a ten-day period of rest and observation. Mr. Schmenan has been prominent in fire insurance circles since 1905.

W. F. Matchett, local agent at Pierceton, Ind., and in the field as farm special for several companies in years past, is seriously ill and was taken this week to the Mayo hospital at Rochester, Minn. He is the father of W. E. Matchett, Indiana special agent of the Continental.

STATES OF THE NORTHWEST

Experience Blank Explained

Wisconsin Rating Bureau Outlines Requirements of New Reporting Plan Adopted by Commissioner

MILWAUKEE, Dec. 14.—The Wisconsin Fire Insurance Rating Bureau has issued a circular letter to companies outlining in detail the requirements of reporting underwriting experience under the plan recently adopted by Commissioner Mortensen. The new underwriting experience classification blank is based on combustibility of fire risks for all fire insurance written in Wisconsin on and after Jan. 1, 1933. Forms for the new classification, showing only 12 classes, have already been distributed. The Wisconsin combustibility plan for rating fire risks will group all risks into five combustibility classes based on related inherent degrees of combustibility. Under this method each risk will be classed according to the degree of combustibility as analyzed and graded by rating schedules.

In the letter sent to fire companies, it

is pointed out that the rating bureau will do all of the classification work on daily reports and that the companies will do the tabulation work, as well as the classification and tabulation of losses. Particular attention has been directed to the fact that business written during 1933 only is to be reported. The companies are to report losses that occur in 1933 on policies dated to be effective in 1933. Therefore, losses in 1933 on policies written in 1932 or prior thereto are not to be reported.

The Fire Insurance Rating Bureau is classifying the surveys on file. There are approximately 300,000 classifications to be made on Wisconsin risks and it is necessary that this work be completed before Jan. 1.

Wisconsin Mutuals Elect

MILWAUKEE, Dec. 14.—George A. Jacobs, president Citizens Mutual Fire, Janesville, was reelected president of the Wisconsin State Association of Mutual Insurance Companies at the annual meeting here. Other officers reelected are George Janssen, Mayville, vice-president, and T. R. Schmidt, Kewas-

LOYALTY GROUP

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL
 \$ 9,397,690.00

Organized 1855

NEAL BASSETT, Chairman of Board
 HENRY M. GRATZ, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1871

NEAL BASSETT, Chairman of Board
 W. E. WOLLAEGER, President JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres.
 H. R. M. SMITH, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

CHARLES L. JACKMAN, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President
 NEAL BASSETT, Vice President

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

NEAL BASSETT, Chairman of Board
 J. SCOFIELD ROWE, Vice Chairman
 H. S. LANDERS, President J. C. HEYER, Vice President WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President
 E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCLURE, 3d Vice Pres. T. A. SMITH, Jr., 3rd Vice Pres. F. J. ROAN, 3d Vice Pres.

THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1874

NEAL BASSETT, Chairman of Board
 H. S. LANDERS, President WINANT VAN WINKLE, Vice President J. C. HEYER, Vice President JOHN R. COONEY, Vice President
 E. G. POTTER, 2d Vice Pres. T. A. SMITH, 3d Vice Pres. FRANK J. ROAN, 3d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCLURE, 3d Vice Pres.

COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

WESTERN DEPARTMENT
 844 Rush Street, Chicago, Illinois
 HERBERT A. CLARK, Vice President
 H. R. M. SMITH, Vice President
 JAMES SMITH, Secretary

CANADIAN DEPARTMENT
 461-467 Bay St., Toronto, Canada
 MASSIE & RENWICK, Ltd., Managers

EASTERN DEPARTMENT
 10 Park Place
 NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
 220 Bush Street,
 San Francisco, California
 W. W. & E. G. POTTER, 2nd Vice Presidents
 FRED W. SULLIVAN, Secretary
SOUTH-WESTERN DEPARTMENT
 912 Commerce St., Dallas, Texas
 OLIN BROOKS, 2d Vice President
 BEN LEE BOYNTON, Res. Vice President
 A. C. MEEKER, Secretary

LOYAL TO PRINCIPLE - TO LOYAL AGENTS, LOYAL

MADISON INSURANCE COMPANY

Jeffersonville, Indiana

CHARTERED IN 1831

Specializing in
BUS - TRUCK - TAXICAB
INSURANCE

Agents Wanted:
Indiana and Illinois

Underwriting Offices,
Illinois Building,
Indianapolis, Indiana.

PROVIDENT FIRE INS. CO.

Fire and Automobile Lines

ROYAL EXCHANGE
ASSURANCE

THE STATE
ASSURANCE CO., Ltd.

CAR and GENERAL
INSURANCE CORPORATION, LTD.

Automobile, Liability and Plate Glass

95 Maiden Lane

NEW YORK

FIRE REINSURANCE TREATIES

Eagle Fire Insurance Company
(NEW JERSEY)

Baltica Insurance Co., Ltd.
(DENMARK)

Franklin W. Fort

Thomas B. Donaldson

18 WASHINGTON PLACE, NEWARK, N. J.

kum, secretary-treasurer. Directors in addition to the officers are Henry Weibrecht, Milwaukee; A. C. Fuge, West Bend; A. W. Anderson, Neenah, and H. A. Wrucke, Campbellsport.

Mr. Jacobs and H. U. Brown of Stevens Point were nominated to represent the mutuals on the management committee of the Fire Insurance Rating Bureau.

Chain Store Insurance

MADISON, WIS., Dec. 14.—The Chain Store Securities Co., Milwaukee, has filed articles of incorporation changing its name to the Milwaukee Industrial Service Company, and amending its articles to carry on the business of a general insurance agency. Waller Carson is president, and George Spiekermann, secretary.

PRESIDENT TELLS PLANS

MILWAUKEE, Dec. 14.—Waller Carson, president of the Milwaukee Industrial Service Co., stated that while the new corporation was authorized to carry on the business of a general insurance agency, it does not contemplate engaging in underwriting at this time.

The Chain Stores Securities Co. operated as an investment trust for chain stores securities. Its successor, the Milwaukee Industrial Service Co., plans to conduct a business of financing industrial concerns. As this might involve insurance matters of one kind or another, the charter was amended to authorize the corporation to handle such matters legally, rather than for the purpose of establishing a regular insurance agency business. It is actually a technical legal procedure.

Made Blue Goose Life Members

Fred C. Sammis, past most loyal gander of the Minnesota Blue Goose, and Robert L. Bruen, historian of the Minnesota pond, were elected to life membership at a recent meeting in Minneapolis. Mr. Bruen died a few days after receiving the honor.

Violations Were Corrected

About half of the companies which were fined by the Western Underwriters Association for commission violations in Milwaukee, it develops, had corrected their irregularities in that city last June. They were, therefore, fined for violations committed before that date. The companies which changed their course in Milwaukee last June did so in view of the formation of the Insurance Executives Association and the pledge taken by the chief executives of the companies.

Haydon Milwaukee Board Speaker

MILWAUKEE, Dec. 14.—George F. Haydon, manager Wisconsin Compensation Rating & Inspection Bureau, discussed "The Business and Social As-

pect of Unemployment Insurance" at the monthly dinner meeting of the Milwaukee Board. He pictured the background of the forces which brought unemployment insurance into being, discussed the various experiments being made in foreign countries and in America, and the degrees of success of such plans. Mr. Haydon also outlined the Wisconsin unemployment insurance law.

Organize Range Association

Agents in towns on the Minnesota iron range have organized the Range Association of Insurance Underwriters with R. C. Huber, Chisholm, as president.

The next meeting will be held in Virginia, Minn., Dec. 16. R. M. Thompson, executive secretary-treasurer of the Minnesota Association of Insurance Agents, will speak on "Organization and Mutual Competition."

Ralph Johnson of Virginia is vice-president of the new association; William Knudsen, Hibbing, secretary, and Melinda Schuster, Biwabik, treasurer. Members of the executive committee are J. I. Anderson, Buhl; C. T. Christianson, Aurora, and Harry Levant, Eveleth.

Many Officials at Funeral

In addition to company and insurance department officials, about 40 field men attended the funeral services in Edgerton, Wis., for Henry Johnson, well known local agent of that city. Among the executives were Robe Bird, manager of the western department, and Charles Norton, assistant manager, American of Newark; R. F. Woltersdorff, branch secretary, and A. S. Hall, assistant branch secretary of the Atlas; A. J. Dugan, western general agent, C. E. Wheeler, associate general agent, and ten other representatives of the Hartford; A. F. Powrie, western manager of the Fire Association; C. W. Higley, president; W. K. Maxwell, assistant general agent, and John Rygel, superintendent of agencies of the Hanover.

Industrial Employees Trained

MILWAUKEE, Dec. 14.—Practical instruction in avoiding fire hazards and what to do in case of a fire was given to 1,900 employees of Milwaukee industries in the annual fire prevention school. At the closing session, R. E. Vernor, Western Actuarial Bureau, discussed "Sifting the National Ash Heap for Fire Causes."

Wisconsin Notes

A. O. Olman, who operates the Olman Insurance Agency at Madison, Wis., has been appointed clerk of the superior court there.

A. E. Riess, for 27 years treasurer of the Roberts Company, Milwaukee agency, died at his home in West Allis, Milwaukee suburb, after an illness of six weeks.

IN THE MISSOURI VALLEY

Kansas Chairmen Are Named

President Meade Selects Prominent Local Agents to Head State Association's Standing Committees

Holmes Meade, president Kansas Association of Insurance Agents, has announced the chairmen of the standing committees: Scarles Bolman, Atchison, will be chairman of the better business committee; Bert E. Mitchner, Hutchinson, casualty; Clarence Lind, Kansas City, Kan., fire prevention; Holmes Meade, Topeka, legislative; Howard Snyder, Wichita, local board; E. F. Reilly, Leavenworth, membership; J. D. Gilmore, Independence, public relations; Gene Glahn, Lawrence, public safety,

and Frank T. Priest, Wichita, business reciprocity.

The farm and the conference committees were named following the last executive committee meeting, Rosse Case, immediate past president, being chairman of both. Duane T. Stover, Wichita, is state executive committee chairman.

Resume Monday Luncheons

The Heart of America Blue Goose at Kansas City, Mo., some weeks ago decided again to have a luncheon every Monday and has been having a fine attendance each week.

A new chairman is appointed each week. It is his duty to arrange for a short program. The plan is working out very satisfactorily. This week there was a debate staged, those who partici-

pated being Thomas Nuckles, Springfield Fire & Marine; O. A. Ramseyer, North America, and W. O. Woodsmall, Fire Association. G. P. Cook, Providence Washington, was named chairman for next week.

Kansas City "Closes Door"

KANSAS CITY, MO., Dec. 14.—The resolution recently proposed for passage by the Kansas City Insurance Agents' Association will enable Kansas City to protect itself against the "closed door" rules of other cities. For instance, St. Louis has such a policy, providing that no outside agent can secure a commission for writing insurance on property owned and located in St. Louis. The resolution was left broad enough to let the association adopt such "tariff" measures as are necessary.

Draft Nebraska Insurance Bills

LINCOLN, NEB., Dec. 14.—Bills are being prepared by Nebraska insurance interests for introduction at the coming session of the legislature, increasing the capital and surplus which domestic companies must have before they can begin business, and requiring a larger amount of surplus notes to be posted with the commissioner by mutuals.

Another bill will revive the old law defining the qualifications of the insurance commissioner, which prohibited the naming of any person for the place who is directly or indirectly interested in any insurance company, except as an ordinary policyholder. When the new code was adopted in 1921 it gave the department of trade and commerce complete supervision and regulation of insurance, but omitted any recitation of qualifications for the deputy in charge of this work.

Consider Auto Casualty Rates

WICHITA, Dec. 14.—President A. E. Smoll presided at the regular meeting of the Wichita Insurers last week and told of his deer hunting expedition in New Mexico from which he recently returned. The special committee working toward uniform automobile casualty rates reported a plan which will be con-

sidered further at the next meeting. H. D. Baker gave a paper on recent court decisions on insurance litigation.

Blue Goose Bowlers

The Kansas City Blue Goose has formed a bowling league, which is bowling Monday evenings. Clarence Bean of the America Fore, Paul Hartman of the Fireman's Fund and Leo Gribble of the Royal make up the committee in charge.

Kansas Fire Losses Up

TOPEKA, KAN., Dec. 14.—Kansas fire losses for November were \$251,013, an increase of nearly \$100,000, according to the state fire marshal. Losses for the first 11 months total \$3,492,852, an increase of \$232,002 or 7 percent.

Rogers to Visit Wichita

H. K. ("Smoky") Rogers of the Western Actuarial Bureau, Chicago, will spend the first two weeks of April in Wichita. He will give his "fire clown" act at all elementary schools and will also give a life saving demonstration to the Boy Scouts and fill a radio engagement while in Wichita.

Duck Dinner Is Served

KANSAS CITY, Mo., Dec. 14.—The fourth annual duck dinner of O. D. Cox, state agent for the American, was given at the home of Gad O. Smith, Crum & Forster state agent, for approximately 15 field men. Mr. Cox prepared the entire dinner. Originated four years ago by him, it has become known all over the country.

Wichita Agency Sold

T. A. Heibert, formerly associated with his brother, J. W. Heibert, in the Dale Insurance Agency, Coffeyville, Kan., has purchased the A. J. Christman & Son agency of Wichita, one of the oldest agencies in that city. Al Christman will continue to represent the American Automobile and retains the automobile business of the agency, which he has managed for several years.

STATES OF THE SOUTHWEST

Gin Results More Favorable

Losses on That Class Reported Only About Half as Large as in 1931, Below Former Years

DALLAS, Dec. 14.—With the cotton ginning season practically over in most sections of the state, insurance men are congratulating themselves and their companies on the favorable loss ratio on these risks so far this year. Reports from field men and adjusters indicate the gin fire loss this year is about one-half of what it was in 1931 and far below previous years.

Another favorable point this season is none of the larger plants have burned. Most of the fires have been in smaller gins, where the property loss was around \$10,000 to \$20,000.

Reasons for Reduced Losses

While the cause of the reduction in gin fires has not been thoroughly analyzed, it is pointed out that the carriers have been more careful in selecting gin risks, for one thing. Sprinkler systems in cotton gins are more general. Gin owners are more careful regarding hazards than in the past. Construction is more modern. All these things probably figure in the reduction.

Insurance men do not expect the remainder of the year or the first month in the new year to pass without cotton gin fires. There are usually many gin fires at the tail end of the season. Ginning in the Panhandle section prob-

ably will continue for 60 days to wind up the odds and ends. After that cotton gins will be considered a fairly good risk until the next season.

New Texas Arson Measure Is Held Unconstitutional

AUSTIN, TEX., Dec. 14.—The new Texas arson law has been held unconstitutional and void by the Texas court of criminal appeals because of its defective caption. The new law changed the penalty from 2 to 7 years to 1 to 5 years. The caption of the amendatory act restricted the purpose of the bill to a change in the definition of the offense, and an attempt was made to define the offense of attempting to commit arson. "The framers of the bill thus informed the public and their fellow legislators that the purpose of the bill was to change the definition," the court held. "In changing the penalty the bill went beyond the express limitation of its caption, and this destroyed its effectiveness as a law."

Texas Life Men Divided as to the Commissionership

The various life underwriters associations in Texas are busy these days adopting resolutions in favor of different candidates for life insurance commissioner in that state. The Southwest Texas association with headquarters in San Antonio has adopted a memorial

1805

1932

Caledonian Insurance Company

The Oldest Scottish Insurance Office

Caledonian-American Insurance Company of New York

ROBERT R. CLARK,
U. S. Manager and President

THE NETHERLANDS INSURANCE COMPANY OF THE HAGUE, HOLLAND

Est. 1845

ROBERT R. CLARK, U. S. Manager
EXECUTIVE OFFICES: HARTFORD, CONN.

The London & Lancashire Insurance Company

Limited of LONDON

Established in the United States in 1879

OVER FIFTY-THREE YEARS
OF CONSTANT AND
LIBERAL SERVICE
TO ASSURED AND AGENTS

Writing

Fire, Tornado, Explosion, Riot, Motor
Vehicle, Earthquake, Inland Marine,
Automobile

GILBERT KINGAN
Manager
HARTFORD, CONN.

CHARLES E. DOX
Manager Western Dept.
CHICAGO, ILL.

WM. W. GILMORE
Manager
SAN FRANCISCO

A · DIRECTORY · OF · RESPONSIBLE INDEPENDENT ADJUSTERS

ALABAMA

JOHN W. McCANN & CO.
General Adjusters
612 Shepherd Bldg.
MONTGOMERY, ALA.

CALIFORNIA

**CASUALTY & SURETY
ADJUSTING AGENCY**
742 So. Hill St., Los Angeles
Prompt, experienced attention rendered investigation and adjustments under all lines within So. Calif. Scrupulous attention to Tourists.

MILO H. NEIDIG
INSURANCE ADJUSTMENTS
Representing Companies Only
Formerly Assistant General Manager
Pacific Coast Adjustment Bureau
542 Adam Grant Building
San Francisco, Cal.

COLORADO, WYO., & N. MEX.

CHARLES W. KRUEGER
Adjuster
(Formerly of Wilson-Krueger Adjustment Co.)
Over Twenty Years Experience
Prompt, Personal Service
942 Gas & Electric Bldg. DENVER, COLO.
Colorado Wyoming New Mexico

DELAWARE

HART COOPER
Adjuster for Insurance Companies
Fire—Automobile—Casualty
Delaware Trust Building
WILMINGTON, DELAWARE

DISTRICT OF COLUMBIA

NICHOLS COMPANY
INSURANCE ADJUSTMENTS
Representing Companies Only—All Lines
Woodward Bldg., Washington, D. C.
Mutual Building, Richmond, Va.
Prompt and Efficient Service Since 1921

FLORIDA

H. G. HEYWARD
INDEPENDENT ADJUSTER
Formerly Manager Florida Offices Southern
Adjustment Bureau
1201 Graham Bldg. Telephone 5-3678
JACKSONVILLE, FLORIDA

H. C. HARRISON
ADJUSTER
Fire, Marine, Automobile, Casualty, Aircraft
506 Exchange Building
ORLANDO, FLORIDA
P. O. Box 1076

ILLINOIS

C. G. EBERTH & CO.
ADJUSTERS
All Branches
Fire, Automobile—Casualty
Suite 1410—330 So. Wells St.
CHICAGO

Established 1899
**GREENE,
WHITNEY &
MILLER**
ADJUSTMENTS
175 W. Jackson Blvd. CHICAGO

ILLINOIS (Cont.)

ARTHUR L. LADD & CO.
CLAIM DEPARTMENT
SERVICE TO INSURANCE COMPANIES
Automobile, Fire, Theft, Collision, Liability,
Property Damage, Workmen's Compensation,
Burglary
A1761 Insurance Exchange, Chicago
Phone HARRISON 9635

**WILSON S.
LEVENS
& CO.**
A-938 INSURANCE EXCHANGE, CHICAGO
Fire, Auto, Inland Marine, and Casualty

THOMAS T. NORTH
ADJUSTMENT COMPANY
Automobile—Fire, Theft, Collision,
Conversion, Liability, Property Damage
Inland Marine, Burglary
175 W. Jackson Blvd. Harrison 3230
CHICAGO

G. B. VAN BUREN & CO.
ADJUSTERS
Specializing in
Burglary, Automobile, Tourists Floater and
"All Risk" Adjustments
327 S. La Salle St., CHICAGO, ILL.

C & W ADJUSTING CO.
239 North Monroe Street
Peoria, Illinois
Telephone 9858
Investigations and Adjustments of All Kinds
for Insurance Companies Only.

INDIANA

**INTERSTATE
INSURANSERVICE
COMPANY**
Investigations and/or Adjustments in
N. E. Indiana, S. E. Michigan and N. W. Ohio
Old-First Bank Bldg. Tel. Anthony 2472
FORT WAYNE

INDIANA ADJUSTMENT CO.
Automobile and Casualty Adjustments
Separate Offices at
INDIANAPOLIS
FORT WAYNE
TERRE HAUTE
EVANSVILLE

Investigations and Adjustments of Multiple Lines of
Insurance Claims in Indiana
Federated Insurance Adjusters
Suite 604, Majestic Building
Indianapolis, Indiana
Frank N. Fitzgerald, Counsel
Lawrence G. Merkel, Manager
Bernard G. Fitzgerald, Secretary-Treasurer

Eugene McIntire
Adjustment Co., Inc.
Automobile, Casualty, Compensation and
Surety Adjustments
Eight, East Market Street
INDIANAPOLIS

THOMAS T. NORTH
ADJUSTMENT COMPANY
Automobile—Fire, Theft, Collision,
Conversion, Liability, Property Damage
Inland Marine, Burglary
J. L. Valentine, Mgr.
241 North Penn St. Lincoln 4838
INDIANAPOLIS
Head Office: 175 W. Jackson Blvd., Chicago

IOWA

THOMAS T. NORTH
ADJUSTMENT COMPANY
Automobile—Fire, Theft, Collision,
Conversion, Liability, Property Damage
Inland Marine, Burglary
Howard E. Kopf, Mgr.
American Bank Bldg. Kenwood 1410
DAVENPORT
Head Office: 175 W. Jackson Blvd., Chicago

Ray B. Dunley
Adjusting Co.
Insurance Claims—All Lines
Anywhere in Iowa
720 Southern Surety Bldg. Phone 4-6436
DES MOINES, IOWA

KANSAS

BRITTON ADJUSTING AGCY.
Frank L. Britton, Manager
Adjusters of All Kinds of Insurance Claims
Room 220, Insurance Building
TOPEKA, KANSAS
Office Phone 25094 Residence Phone 21550

KENTUCKY

J. H. HARRISON, INC.
General Adjusters
Head Office: Starks Bldg., Louisville, Ky.
Branch Offices
Cook Bldg., Bowling Green, Ky.
Weille Bldg., Paducah, Ky.
Specialists on Automobile Finance Accounts
Fire, U. & O., Automobile, Casualty

MARYLAND

HENRY L. ROSE & CO.
Incorporated
Adjusters for Insurance Companies
General Offices
BALTIMORE, MD.

MICHIGAN

General Mercantile Association
Insurance Adjustments and
Investigations
Frank H. Rankin, Wm. Knoppon,
Manager Counsel
1263 First National Bank Building
Detroit, Michigan Cadillac 3730-1

MINNESOTA

LYMAN HANES, nc.
General Adjusters for Insurance Companies
MINNEAPOLIS

MISSOURI

Universal Adj. & Insp. Co.
INCORPORATED
Home Office: Joplin, Mo.
Kansas City, Mo. Joplin National Bank
Dierks Bldg. Bldg.
Salina, Kansas Columbia, Mo.
United Life Bldg. Galtier Bldg.
Springfield, Mo. Portageville, Mo.
Wilholt Bldg. Barnes Bldg.

**BERT E.
STRUBINGER**
CLAIM DEPARTMENT
CHEMICAL BLDG., ST. LOUIS
Automobile & Casualty Claims
Branch 207, Holland Bldg., Springfield, Mo.

NEBRASKA

THE JOHN D. GARMIRE
INDEPENDENT ADJUSTING OFFICE
Omaha, Neb.—Established 1907
Adjusters
John D. Garmire, Omaha Jack H. Mack, Scottsbluff
Frank A. Sucha, Omaha Fred L. Burke, North Platte
John N. Higbee, Omaha Ray W. Harr, McCook

OHIO

**Insurance Service
of Canton, Inc.**
819 Renkert Bldg., Canton, Ohio
J. A. Anderson, Mgr. Phone 5167
Fire and Casualty Adjustments, Inspections
and Investigations for Insurance Companies

JOHN H. McNEAL
Auditorium Bldg. Cleveland, Ohio
Phone Main 1926
GENERAL ADJUSTERS
ALL LINES OF INSURANCE

**THAYER
ADJUSTMENTS**
R. M. THAYER
Investigations and Adjustments
All Casualty Lines
Representing Companies Only
408 Chester-Twelfth Bldg. Cleveland, Ohio
CHerry 8398 CHerry 8399

THAYER'S UNDERWRITERS SURVEY CO., INC
502-3-4-5-6 Finance Bldg
E. A. Thayer, N. R. Thayer,
President Sec. Treas.
750 Prospect Ave. CLEVELAND, OHIO
Claims Adjusters for the Companies in every
kind of insurance loss. 30 years' experience
qualifies us.

Van-Reed & Company
C. L. Harris & Company
General Adjusters
Cleveland—905 Sweetland Bldg.
Akron—412 Akron Savings & Loan Bldg.
Youngstown—810 Mahoning Bank Bldg.
Toledo—628 Nicholas Bldg.
Columbus—10th Floor, Outlook Bldg.
Cincinnati—1216 First Nat'l Bank Bldg.
Lima—608 Lima Trust Bldg.

CARL W. LORTZ
Adjusting
51-54 Ohio Bldg. & Loan Bldg. 22 E. Gay St.
COLUMBUS
Trial Work—Investigations—Attorney-at-Law
Specializing in All Casualty Lines
Phones:
Office: Main 3572 Residence: Evergreen 6519

**FRANK B.
PATRICK**
15 years as company special liability adjuster.
526-30 Miami Savings Building
Telephone Adams 8471
DAYTON

FRED W. PETERS
INDEPENDENT ADJUSTER
Fire, Tornado and Automobile Losses
1041 Third National Bldg., DAYTON, OHIO
Over Twenty-Six Years Company Service

Centrally Located Phone Us Day or Night
Central Adjustment and Inspection Bureau
D. R. Stettler, Manager
VAN WERT, OHIO
General Insurance Adjusters
Experienced men in all parts of Ohio, South-
ern Michigan, Western Pennsylvania and
Eastern Indiana

INDEPENDENT ADJUSTERS

A

OHIO (Cont.)

WOOD & COMPANY

General Adjusters—All Lines of Insurance
Bert C. Wood—29 Years General Claim Agent
PENN-OHIO SYSTEM, Youngstown, Ohio—Power—
Electric Railway—City and Interurban Bus Lines
GENERAL CLAIM DEPT.—703-705 City Bk. Bldg.
YOUNGSTOWN, OHIO
Phone 3-8914

PENNSYLVANIA

Representing Insurance Companies Only

PAUL M. REMALEY INSURANCE ADJUSTER

MARINE BANK BUILDING
ERIE, PA.

TEXAS

PERRY INSURANCE CLAIM SERVICE

Southwestern Life Bldg. Dallas, Tex.
General Insurance Adjusters
"Anywhere in Texas"
Branch Offices
Ft. Worth—Wichita Falls—San Angelo—
San Antonio—El Paso—Houston—Longview

Lloyd Caldwell Corporation Claims Service

Claims Managers for Insurance Companies
SAN ANTONIO, TEX. EL PASO, TEX.
Brady Building 807 Bassett Tower
HARLINGEN, TEX. HOUSTON, TEX.
Baxter Building Esperson Building
DALLAS, TEX. FT. WORTH CORPUS CHRISTI
Kirby Building Fair Building Nixon Building

WASHINGTON

FRANK ALLYN, INC.

Established 1915
MEHLHORN BUILDING SEATTLE
General Adjusters—All Lines
Branch Offices: Spokane, Tacoma, Aberdeen
Service Units in Other Pacific Northwest
Cities

WISCONSIN

Rehfeld Adjusting Company General Insurance Adjusters

MADISON Phone Badger 1621
3 W. Main St. FOND DU LAC
39 E. 10th St. Phone 7066

THOMAS T. NORTH ADJUSTMENT COMPANY

Automobile—Fire, Theft, Collision,
Conversion, Liability, Property Damage
Inland Marine, Burglary
A. E. S. Prior, Mgr.
828 North Broadway Marquette 3936
MILWAUKEE
Head Office: 175 W. Jackson Blvd., Chicago

NURNBERG ADJUSTMENT CO.

General Adjusters
Representing Stock Companies Only
Underwriters Exchange Bldg.
MILWAUKEE
828 N. Broadway Phone Daly 5620
BRANCH OFFICES
BELOIT ANTIGO

JOSEPH RICE & CO.

INVESTIGATIONS & ADJUSTMENT
ALL CASUALTY LINES
A. M. Rice, Mgr., Milwaukee Branch
Milwaukee Office Chicago Office
601 Guaranty Bldg. 966 Ins. Exch. Bldg.
Phone: Daly 0604 Phone: Harrison 8680

O. W. ROLFE CO., INC.

Adjusters for Companies Only
Casualty—Surety
"14 Years' Experience in Wisconsin"
709 N. 11th Street Phone Marquette 4443
MILWAUKEE, WIS.

in behalf of Robert Daniels of Victoria, a former commissioner.

The Houston association some time ago endorsed Guy MacLaughlin, manager for the Franklin Life of Springfield, Ill., at Houston. Now the Fort Worth association has come out for Mr. MacLaughlin.

Mr. MacLaughlin states, if appointed commissioner, he will devote much attention to the twister. "The commissioner, a good lawyer, but a man without actual experience and knowledge of this form of graft," Mr. MacLaughlin states, "doesn't always know how to circumvent this class of exploiter and there are always some companies on the edge who are hungry for business, whose general agents will take the business and which companies will wink at. It is this class of company too that I will not approve."

Mr. MacLaughlin states that many small groups characterizing themselves

as mutuals have sprung up. Few of them have adequate reserves or are responsible institutions, he declared. Adequate supervision and remedial legislation are indicated, according to Mr. MacLaughlin.

Mr. MacLaughlin states, that if appointed commissioner, he will deputize persons in various parts of the state to conduct investigations and hearings. The holding of hearings in Austin on violations in other parts of the state results in ineffective supervision, he says.

Oklahoma Insurance Legislators

Insurance men elected to the lower house of the Oklahoma legislature for the session beginning Jan. 3 are R. M. Davis, Logan county; Rex Strickland, Marshall; Herman Darks, Hughes, and W. H. Ebey, Pontotoc.

IN THE SOUTHERN STATES

Deny Lower Windstorm Rates

Louisiana Commission Says Profit Must Be Considered on Business as a Whole

NEW ORLEANS, Dec. 14.—The application for lower windstorm rates has been denied by the Louisiana insurance commission. It was held that the profit on various fire lines as a whole should be considered and the rates on a particular line like windstorm should not be reduced "until it is shown that the companies are making a profit on their business as a whole in excess of 5 percent."

The original application for a reduction was brought by the property owners' division of the New Orleans Real Estate Board, the board's attorneys contending that the present windstorm rates permit a profit of more than the legal return. However, the experience from the other fire lines has been unsatisfactory and the companies contended that the profit on the business as a whole was under the legal requirement. The commission's denial of the application was based on a decision in civil court on the application of various property owners for lower rates on buildings equipped with sprinkler systems on grounds of excessive profit from this type of business, involving a principle identical to that in the windstorm case, Chairman R. M. Walmsley explained.

Object to Licensing Company

MONTGOMERY, ALA., Dec. 14.—The Birmingham Fire of Alabama is objecting to the request of the Birmingham Fire of Pennsylvania to be licensed in Alabama.

The Alabama company maintains that the Pennsylvania company would make capital of its reputation and standing in the city of Birmingham and Alabama, and would be confusing and misleading to the public. The Alabama company points out that it does only a re-insurance business in states other than Alabama, and necessarily has no policies outstanding.

New Orleans general agents are seeking to enter the Pennsylvania company for fire and allied lines in Alabama in order to begin operations Jan. 1.

Nashville Women Elect

NASHVILLE, Dec. 14.—The Nashville Woman's Insurance Club held its annual banquet last week with 100 present. Miss Lorena Davis, president, presided. Miss Hester Tinsley was the general chairman of the banquet. W. C. Teague, associate editor of Nashville "Banner," talked on "The Machine Age, and Its Effect on Employ-

ment." Miss Lorena Davis, the retiring president was presented with a silver loving cup. The honor guest was Miss Julia Hindman, past secretary Tennessee Association of Insurance Agents.

The following officers for 1933 were elected: President, Mrs. Florence Lawler, Tennessee Inspection Bureau; vice-president, Mrs. Louise Collier, Hall & Benedict Insurance Agency; secretary, Miss Theresa Shockley, Martin A. Hayes & Co.; treasurer, Miss Hester Tinsley, Stetson Smith.

Apprehensive as to Protection

ATLANTA, Dec. 14.—The unsettled condition of the problem of fire protection in the residence district north and east of the city limits of Atlanta and lying between these limits and Decatur, Ga., on the east is causing friction and considerable discussion, as this terrain is unprotected by the fire departments of either town and contains some of the finest residences in the south. The cutting down of the number of men on the Atlanta fire department effective Jan. 1 adds to the confusion. It has been suggested that this district incorporate itself into a separate township and put in its own fire station.

Evans Agency Reorganized

The long established general agency of F. T. Evans Co., Jacksonville, was recently reorganized as the Florida Underwriters Agency, F. W. Brundick, Jr., being elected secretary and treasurer, and appointed its manager. Companies represented by the office for many years include the Caledonian, Caledonian-American, City of New York, North British & Mercantile, Westchester, County and Delaware Underwriters.

Next Year's Dates Set

The tentative dates for the annual convention next year of the Louisiana Insurance Society are April 13-14. The meeting will be held in New Orleans.

Name Louisiana Advisory Committee

E. J. Sullivan, J. L. Detreville, John Van Amburgh, F. G. Tupper, Douglas Watson and W. P. D. Bush have been appointed on the Fire Companies Adjustment Bureau's Louisiana advisory committee.

Louisiana Notes

Operating as Oubre Insurance Agency, Otis Oubre has entered the local agency field at New Iberia, La.

The Bradford Insurance Agency, Alexandria, La., has purchased the Vance-Arial Insurance Agency.

J. R. Pyper, manager for some years of the insurance department of Allan, Snead & Whittet, Richmond, died last week following a long illness.

Since

1899

The Northwestern Fire & Marine Insurance Company has been giving a complete insurance service of practical value to agents.

Now Writing

Fire Explosion
Auto Fine Arts
Hail Fur
Tornado Leasehold
Aircraft Damage
Mail Package
Merchandise in Transit
Customers' Goods
Profits
Rents and/or Rental
Values
Riot and Civil Commo-
tion
Sprinkler Leakage
Tourist Baggage
Use and Occupancy
Builders & Contractors
Automatic Cover

NORTHWESTERN

Fire & Marine Insurance Company

John H. Griffin, President

Minneapolis, Minnesota

Reduce Insurance Rates

Recommend

JUSTRITE OILY WASTE
AND SAFETY CANS

Approved and Labeled by the Underwriters Labora-
tories and Associated Factories Mutual Insurance Co.'s

JUSTRITE MANUFACTURING CO.
208 SOUTHPORT AVE. CHICAGO, ILL.

ARE YOU AFRAID?

Some insurance men are afraid of their manual on Manufacturers Public Liability Insurance. They don't fully understand it and for that reason miss a lot of liability business in their community. The National Underwriter Company, 420 E. Fourth Street, Cincinnati, conduct a correspondence course to help you sell more insurance.

Write for free booklet describing the Casualty and Bond Underwriting Course.

The National Underwriter Company

420 E. Fourth Street
Cincinnati, Ohio

-in 8 Texas
HILTON HOTELS
~to Serve You!
Waco 2
Dallas 2.50
Marlin 2.50
Abilene 5.00
Plainview
Lubbock
El Paso-San Angelo

Insurance Attorneys

A Directory of Responsible Attorneys Specializing in Insurance Law

CANADA

Mehr & Home
Barristers & Solicitors
25 West King Street
Toronto, Canada
Counsel for National Surety Company, London Guarantee & Accident Company Limited, United States Casualty Co., Union Indemnity Co. and United States Fidelity & Guaranty Co.

INDIANA

GEORGE A. HENRY
INSURANCE ATTORNEY
504-5 Meyer-Kiser Bank Bldg.,
Indianapolis, Indiana
Specially equipped to handle
Investigations—Adjustments—Litigations

MINNESOTA (Cont.)

Geoffrey P. Mahoney
Attorney and Counselor
831 Metropolitan Bank Building
Minneapolis, Minnesota
Investigation and Adjustment of Claims

OHIO (Cont.)

STAHL, STAHL & STAHL
Attorneys-at-Law
Main Office
Stahl Building, Fremont, Ohio
Branch Offices: Port Clinton, Bowling Green
Actively handling adjustments and litigated matters
in Sandusky, Seneca, Ottawa, Wood and
Erie Counties, Ohio

ARKANSAS

ARTHUR G. FRANKEL
LAWYER
Wallace Bldg. Little Rock, Ark.
Insurance Litigation
Facilities for Casualty Investigations and
Adjustments

**Slymaker, Merrell, Ward
& Locke**
Attorneys specializing in All Phases of
Fire, Marine, Life & Casualty
Insurance Litigation
751-760 Consolidated Bldg.
INDIANAPOLIS

**SEXTON, MORDAUNT, KENNEDY
& CARROLL**
Adjusters and Investigators sent to any place
in the Northwest
Pioneer Building, Security Bldg.,
St. Paul, Minn. Minneapolis

WM. A. FINN
ATTORNEY AT LAW
General Insurance, Casualty & Surety Prac-
tice. Exceptional facilities for Investigations
over entire State of Ohio.
628 Nicholas Bldg. TOLEDO

GEORGIA

Bryan & Middlebrooks & Carter
ATLANTA Candler Building GEORGIA
Shepard Bryan W. B. Tichenor
Grover Middlebrooks W. Colquitt Carter
Chauncey Middlebrooks Edward B. Everett, Jr.
O. W. Russell M. H. Meeks
FIRE, LIFE AND CASUALTY
Insurance Litigation in the Southern States

IOWA

JOHN D. RANDALL
Lawyer
American Trust Bldg.
CEDAR RAPIDS, IOWA

ERNEST E. WATSON
All Lines
Represent Companies Only
Including Defense of Negligence
936 Andrus Bldg. Minneapolis

OKLAHOMA

**Rittenhouse, Webster &
Rittenhouse**
American National Bank Bldg.
OKLAHOMA CITY

ILLINOIS

Cassels, Potter & Bentley
1060 The Rookery
CHICAGO

Jesse A. Miller Oliver H. Miller
Frederic M. Miller J. Earle Miller
Miller, Miller & Miller
LAWYERS
1316-1318 Equitable Building
Des Moines

ORR, STARK, KIDDER & FREEMAN
11th Floor, Minnesota Bldg.
ST. PAUL
INSURANCE LITIGATION
Special Department for
Investigations and Adjustments

SOUTH DAKOTA

BAILEY & VOORHEES
Charles O. Bailey (1866-1923)
John H. Voorhees Melvin T. Woods, Jr.
Theodore M. Bailey Roswell Bottom
Howell L. Fuller
BAILEY-GLIDDEN BUILDING
SIOUX FALLS
INSURANCE PRACTICE

Dent, Weichelt & Hampton
1111 The Rookery Building
Chicago, Ill.
Special attention to the law relating to all
classes of Corporate Surety Bonds

**Parrish, Cohen, Guthrie
Watters & Halloran**
Attorneys and Counselors at Law
Register and Tribune Building
DES MOINES

NEW JERSEY

SAMUEL M. HOLLANDER
COUNSELOR AT LAW
2704-2710 Lefcourt Newark Building
11 Raymond Blvd., Newark, N. J.
Telephone 1140-1 Market
Specialist in the Law on Breach of Warranty
and General Insurance Cases

TENNESSEE

HUME & ARMISTEAD
NASHVILLE

EKERN & MEYERS
Insurance Attorneys
One La Salle St.
CHICAGO

KENTUCKY

Woodward, Hamilton & Hobson
Insurance Attorneys
615-24 Inter-Southern Bldg.
Louisville, Ky.

NEW YORK

David F. Lee David Levene Edwin F. Verreau
LEE, LEVENE & VERREAU
TRIAL LAWYERS
316 Security Mutual Bldg.
BINGHAMTON, NEW YORK
Insurance attorneys. Especially equipped to handle
investigations, adjustments and litigation over cen-
tral New York.

WASHINGTON

ROBERTS, SKEEL & HOLMAN
Alaska Building
John W. Roberts Wm. Paul Uhlmann
E. L. Skeel Everett O. Butts
Tom W. Holman Guy B. Knott
Tyre H. Hollander A. P. Curry
Glen E. Wilson W. E. Evenson, Jr.
Edward Hutcheson H. Henke, Jr.
Frank Hunter
SEATTLE

MICHIGAN

Silber, Isaacs, Silber & Woley
Attorneys & Counselors
208 South La Salle Street
CHICAGO
Special Attention to the Law of
Fire Insurance and Taxation

DUNHAM, TAYLOR & ALLABEN
ATTORNEYS AT LAW
1012-1016 Grand Rapids National Bank Bldg.
GRAND RAPIDS

OHIO

Rees H. Davis Fred J. Young
DAVIS & YOUNG
Attorneys at Law
General Insurance, Fire, Casualty & Surety
Practice. Also facilities for investigations
over Northern Ohio
Guardian Bldg. CLEVELAND

WISCONSIN

BLOODGOOD, STEBBINS & BLOODGOOD
Warner Bldg., 212 W. Wisconsin Ave.
MILWAUKEE
Representing U. S. Fidelity & Guaranty
Company, Metropolitan Life Insurance Com-
pany, Globe Indemnity Company

MINNESOTA

BROWN, HAY & STEPHEN
714 First National Bank Bldg.
SPRINGFIELD

Mitchell, Gillette & Carmichael
12th Floor, Alworth Bldg.,
Duluth
Insurance Litigation
Special Department for
Investigations and Adjustments

**KNEPPER, WHITE,
SMITH & DEMPSEY**
44 East Broad Street
COLUMBUS, OHIO
Trial Work—Investigations—Adjusting

GERALD P. HAYES
Attorney
Insurance litigation and claim work in any
part of Wisconsin
905 1st Wis. Natl. Bank Bldg.
Milwaukee

ON THE PACIFIC COAST

Court Upholds State Board

Permanent Injunction Denied Miller Agency in Effort to Stop Porter from Issuing Warrants

HELENA, MONT., Dec. 14.—The application of the Miller Insurance Agency of Butte for a permanent injunction prohibiting State Auditor Porter and the state treasurer from issuing or cashing warrants for insurance on state buildings was denied in district court here. The court dissolved the temporary restraining order.

The Miller agency brought the action to prevent the state from paying \$74,000 in premiums on insurance purchased about three months ago by the state board of examiners. The insurance, totaling more than \$9,000,000, was divided among a large number of Montana agencies in proportion to the amount of taxes paid by the companies they represented.

When the state examiners prepared to award the insurance in accordance with its custom in the past, the Miller agency demanded \$2,000,000 of the total. It asserted it could offer a lower premium rate but declined to give the rate. When the board of examiners refused to consider the bid, the agency demanded that the insurance be opened to bids. This was refused and the suit followed.

Judge Horsky ruled that the plaintiff failed to prove the allegations of its complaint and that the facts and law in the case did not warrant the continuance of the restraining order or the issuance of an injunction.

Ryan Blue Goose Speaker

SAN FRANCISCO, Dec. 14.—T. F. Ryan, assistant secretary of the Fireman's Fund, addressed the San Francisco Blue Goose Monday on "Taxation." Mr. Ryan has devoted considerable time to a study of taxation and is regarded as an expert in this line. R. R. Robertson, assistant manager of the London & Lancashire, was chairman.

The annual Christmas party will be held Dec. 19, when the members will be entertained by the glee club, which has been silent since last February, when an entertainment and concert was given just prior to the annual meeting of the Fire Underwriters Association of the Pacific.

Governor Answers Bridge Group

SAN FRANCISCO, Dec. 14.—Expressing a willingness to meet with the San Francisco-Oakland bridge insurance committee, Governor James Rolph Jr., has written that body to the effect that "nobody has an inside track to the bridge insurance," and that shortly he will call a meeting of the California Toll Bridge Authority, the state group in charge of the \$75,000,000 project, for the purpose of discussing the insurance problems.

Pasadena Board Elects

Herbert Proctor was elected president of the Pasadena (Cal.) Association of Insurance Agents at its annual meeting. G. P. Bogardus is vice-president; Howard Wilson, secretary, and Helen Thomas, treasurer. W. P. Welsh, retiring president, reported on the activities of the past year and Ralph Wood reviewed the state convention. Frank C. Colridge, executive secretary of the state association, was a guest.

East Bay Christmas Party

OAKLAND, CAL., Dec. 14.—A Christmas party was held Monday evening by the East Bay Association of Insurance Women, under the direction of Mrs. Zarella Bentley, president. The

following officers, recently elected, will take office at the first meeting in January: Ruth Heine, president; Marian Brown, vice-president; Willette Layman, treasurer. Plans are being made for an educational program to be conducted along the lines of a program now being carried out by the Insurance Women of Los Angeles.

Colridge, Brown, at Long Beach

Frank C. Colridge, executive secretary of the California Association of Insurance Agents, and L. L. Brown, southern California divisional manager of the National Automobile Club, were the principal speakers at a meeting of the Long Beach (Cal.) Association of Insurance Agents. Berry Meritt, retiring president, gave an interesting review of the state association convention at Santa Rosa. Election of officers was to have been held at this meeting, but was postponed.

Bristol Heads Sacramento Puddle

W. Bristol, Hartford Fire, has been elected big toad of the Sacramento puddle of the San Francisco Blue Goose, which has resumed its regular meetings. Guy Mackintosh, Fire Companies Adjustment Bureau, has been named polliwog, and W. J. Feneran, Goodwin & Allan, croaker.

Eastern States Activities

Production Opportunity Seen

C. T. Hubbard Urges Agents to Apply Insurance More Extensively to Credit Situations

"Rantum Scoot" was the title of the address during Connecticut Insurance Day of Clarence T. Hubbard, assistant secretary of the Automobile. He explains that the term "rantum scoot" originated on Nantucket Island and means to sail at random without any particular point or course.

Mr. Hubbard declared that agents must concentrate on the proper application of insurance rather than its salesmanship in the future. That is, the agents should sell the idea of insurance protection which adequately and correctly fits the individual or the business, so that the buyer is not over-insured, under-insured, nor taken advantage of in any way. This involves surveying insurance financial responsibilities, knowing what insurance an individual or firm may or may not need, knowing values, rating methods, methods of improving risks and every element in the insurance business.

The greatest insurance opportunity, according to Mr. Hubbard, is applying insurance to credit situations. The banker still demands only life and fire insurance in protection of the credit he approves. This is unscientific and crude, Mr. Hubbard said. Billions of dollars are being loaned without any check of the borrower's insurance, Mr. Hubbard said. A credit risk may measure up in every way, he said, but the absence of steam boiler insurance or improper writing of a liability policy can jeopardize the entire credit situation. If the agent concentrates on this he has a real opportunity in the future.

Now is the opportunity for agents to read and keep up with insurance journals as marvelous sources of information. According to Mr. Hubbard, it is an excellent time to read insurance books.

This is a good time to call on fellow

agents and swap business experiences. The mailing list can be brought up to date and supplies can be checked. Now is a good time to read the rule books.

Mr. Hubbard said that the agent should worry more about justifying the commissions he receives to the public rather than being so concerned about how much can be received from the company. The public, Mr. Hubbard said, is manifesting considerable interest in the commission question. The mutual companies are spreading the word that there is no need of agents and that they are overpaid. Mr. Hubbard said that the agent does earn the commissions when serving as an insurance analyst and applying insurance to credit protection.

Politicians Share in City of Baltimore's Insurance

BALTIMORE, Dec. 14.—State and city officials are included in the list of persons through whom the city of Baltimore places its \$21,500,000 in fire insurance, made public by Mayor Howard W. Jackson.

The mayor's firm, the Riall-Jackson Company, carries \$2,145,408, or almost one-tenth of the total amount. The next largest amount to an official, \$680,000, is carried by Gilbert A. Dailey & Co., headed by Gilbert A. Dailey, recently appointed president of the board of commissioners for opening streets.

Next is \$275,000 written by Charles E. Bichy, a chief in the office of the city collector.

Publication of the list was brought about through a letter directed to Mayor Jackson several days ago by Joshua C. Gwin, president of Allied Civic Improvement Associations and an insurance broker.

Mr. Gwin sought to reduce the insurance premiums by 25 percent. At the same time he questioned the mayor as to the amount of city insurance carried by the Riall-Jackson Company.

The list does not include the liability insurance on automobiles and trucks owned by the city or hired by the various departments.

Commenting on the statement, the "Evening Sun" said: "Baltimore, as a municipality, spends hundreds of thousands every year on fire insurance. A lot of this expenditure, probably 25 percent, goes to insurance agents as commissions. That seems to be a big percentage. Couldn't the city deal directly with the companies and thus save at least a part of this charge? Couldn't it be its own agent? Couldn't it, as some cities do, operate its own insurance fund?"

"These questions we do not pretend to be able to answer. But it is obvious that a system which operates as the present one does, to give big bites out of the taxpayers' money to a few favored firms and nibbles to hundreds of political hangers-on, is a rotten system and should be changed."

SAFETY SIDELIGHTS

In the United States, automobiles annually kill enough people to compose a community larger than any city in the states of Arizona, Idaho, Mississippi, Nevada, New Mexico, North Dakota, South Dakota, and Vermont.

Are you trying to reduce this terrible toll?

Great American
Indemnity Company
CASUALTY New York SURETY



MINNEAPOLIS FIRE & MARINE INS. CO.

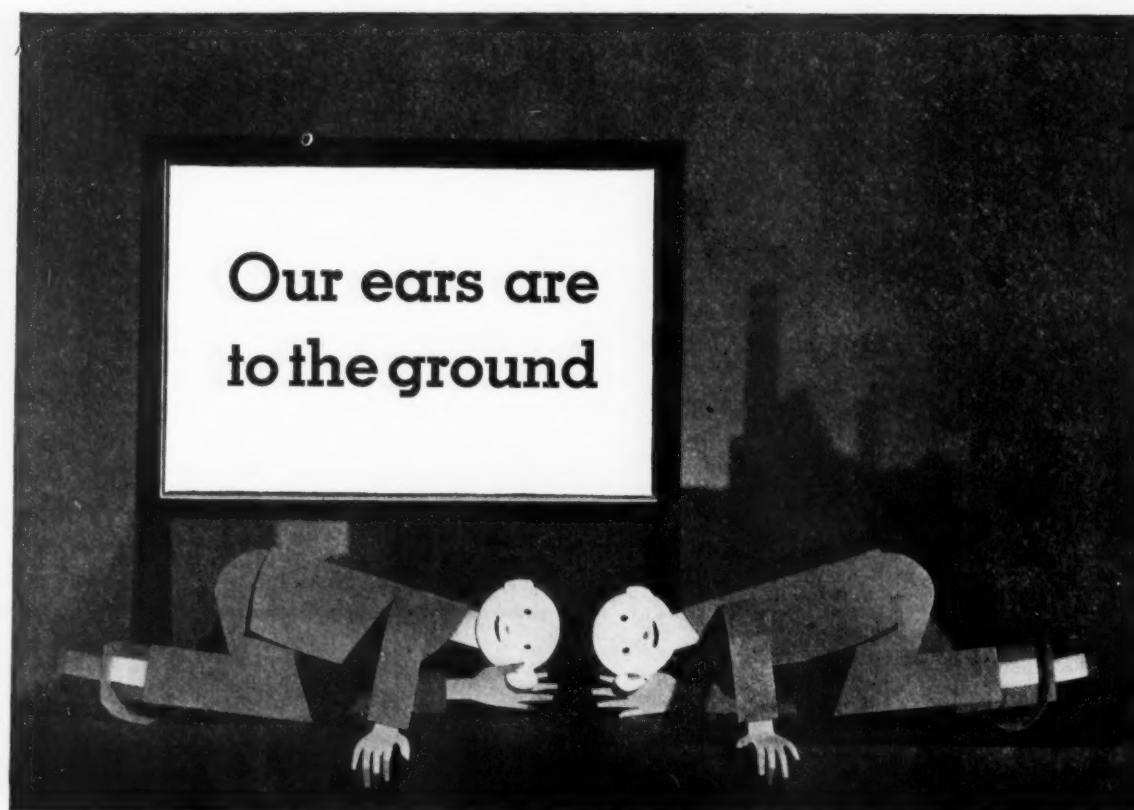
700 Foshay Tower
Minneapolis, Minnesota

Walter C. Leach, President

John D. McMillan, Vice-Pres.

A. C. Holmgren, Secretary

FIRE—TORNADO—AUTOMOBILE—INLAND MARINE



How do these men who are selling accident insurance, sell it? What do they say to overcome the objection "I can't afford it."? How do they bring out the need for a guaranteed income in the event of disability? You can't find answers to these questions originating in any Home Office. But we have our ears to the ground. . . . The men on the firing line have been saying things and we've been listening. What did they say? You'll find it in the current issue of The Employers' Pioneer. There are other articles concerning the new personal accident policies of The Employers' Group. There's a bit of the Christmas Spirit in it too, with colored illustrations that we'll bet dollars to doughnuts

the folks at home will like to see. . . . The Employers' Pioneer is the monthly house organ of The Employers' Group. We will be glad to place your name on the mailing list at absolutely no

cost to you. We will be glad to send you back copies, as long as they last, concerning bonding, steam boiler, collections and other kindred subjects. . . . Our ears are to the ground. We learn that there are still several agents who have been fattening their purses to the bulging point by an intelligent drive for personal accident business. How do they do it? Read The Employers' Pioneer. . . . Just write the Publicity Department, 110 Milk Street, Boston. We wish you a Merry Christmas in the current issue. We'll make use of the few remaining lines in this advertisement to wish you a Happy and Prosperous New Year.

THE EMPLOYERS' GROUP



The Employers' Liability Assurance Corporation, Ltd. . . . The Employers' Fire Insurance Company . . . American Employers' Insurance Company, 110 Milk Street, Boston, Mass.

The National Underwriter

December 15, 1932

CASUALTY AND SURETY SECTION

Page Twenty-seven

Companies Working Out Big Problems

Many Serious Difficulties Confront the Executives These Days

MULL OVER INVESTMENTS

Workmen's Compensation Insurance Is One of the Most Vexing Issues of the Hour

NEW YORK, Dec. 14.—The casualty companies of the well managed type that have carried on their business in a conservative way are emerging in fairly good shape from the cataclysm through which they have passed and which is still at hand. If there is no further sharp decline in the security market and if from now on business will gradually improve or at least suffer no further setback, the great majority of companies now in the field will continue. The companies at least know exactly what their losses are and some of them run up into large figures. However, they are gradually absorbing these, getting them paid off, and while their assets are considerably reduced the companies are getting on a firmer basis.

A year ago it was rather difficult to tell the magnitude of the losses. Companies were hit in all directions with all sorts of claims. They have gradually analyzed the claims, had them all investigated and therefore know exactly what their liabilities are. This information in hand, they have been able to arrange for financing these obligations. The main claims that burdened surety companies were the depository bond losses and so far as the companies that guaranteed real estate bonds the losses incurred in that field.

Put Up Large Reserves

There were other losses of higher magnitude, so altogether the companies were obliged to put up unusually large reserves to take care of these outstanding obligations. At this time, therefore, there is no doubt as to the amount of the losses. A good part of the time of leading executives has been taken up in taking care of these. The conditions were considerably aggravated because of the fidgety security market as the loss payments caused companies either to sell some of their securities at a sacrifice or borrow money in order to pay off claims. The atmosphere has considerably cleared and the companies have gone ahead at least in a dog trot.

They are weeding out unprofitable agents and especially those that are unable to pay their balances. This has reduced their incomes considerably but it is putting the companies on a better basis. The gross premium income, naturally, where action of this kind has been taken, shows a serious reduction.

The weeding out process has been

(CONTINUED ON PAGE 34)

Kemper Reviews Trends in Casualty Insurance Field

MORE UNDERWRITING NEEDED

Dependence on Investment Profit Is Thing of Past—Stresses Auto Accident Menace

The necessity for casualty companies becoming exclusively insurance organizations was emphasized in an address on "What Is Ahead for the Insurance Business?" prepared by J. S. Kemper, president Lumbermen's Mutual Casualty, for presentation at the September meeting this week of the Accident & Health Insurance Club of Chicago. Mr. Kemper was unable to be present on account of a severe cold and his address was given by M. P. Luthy, assistant vice-president of that company. He said that many of the companies that had dropped out of business or had found it necessary to make drastic readjustments of their capital structure to add to surplus, had depended for profit on their investment accounts and had neglected the real problems of the business.

General Financial Condition Good

He predicted that more restrictions would be placed on insurance company investments and that the investment department would never again be the controlling factor it had in the past. In spite of the cases to which he referred, he said that the insurance structure as a whole had come through the trying times in good financial condition and had played a notable part in business life.

Referring specifically to accident and health insurance, he expressed the belief that motor vehicle accidents had done more than any other factor to bring up the loss ratio in that business, but said that in spite of this some companies are still inclined to broaden the benefits under their policies. He praised the action taken by the Bureau of Personal Accident & Health Underwriters for simplification of policy forms and said the public is becoming more and more confused by the multiplicity of forms in the accident and health field. He stressed especially the need for prevention of losses, on the highway and in the workshop, and a closer selection of risks.

Would Penalize Careless Driver

In connection with the reduction of automobile losses, he said he had come to the conclusion that pure, unadulterated carelessness, usually on the part of expert drivers, is responsible for nine-tenths of the trouble, and that it is time to compel more careful driving by severe penalties. He held that safety drives and other propaganda will not accomplish the results sought, as the careless driver must know that he will be penalized for his carelessness. He declared that the certainty of punishment is an important factor in the lower automobile death rate in England and other European countries.

On the production end, he said that in every case that is closed there are two sales. The carrier must be sold to the policyholder and the policyholder to

Alabama Rejects 10% Load on Occupational Diseases

IS NOT RECOGNIZED BY LAW

Insurance Department Indicates It Will Not Include Charge in General Rate Revision

MONTGOMERY, ALA., Dec. 14.—The Alabama insurance department has flatly disapproved an occupational disease program filed by the National Council on Compensation, practically the same as that recently entered in Michigan. The program, as filed in Alabama, carried about 120 classifications where occupational disease hazard is involved.

Notice of the department's action is contained in a letter transmitted by F. H. Spears, Alabama workmen's compensation clerk, to W. F. Roeber, general manager of the National Council.

"The Alabama workmen's compensation law does not by expressed language or by court interpretation include occupational diseases," Mr. Spears wrote. "To the contrary the law positively excludes diseases of any kind unless the disease results proximately from an accident. It was not the legislative intent that disease be covered under the law and the supreme court of this state has repeatedly so held."

Not Fair to Policyholder

"We fail to see one single element of fairness to the policyholder in such a proposition. A carrier in quoting a rate for a given classification includes a loading of not exceeding 10 percent to cover occupational disease claims but if the bureau is convinced that no occupational disease hazard is present in connection with that particular risk the loading may be removed by the bureau. Again it is stated in the proposal that if an assured does not desire such coverage, it may be endorsed off the policy and his rates will remain the same as at present."

"There can be no justification for such a course. If an assured desires full occupational disease coverage then why would not the better course be for the carrier to tell him that for an additional premium this coverage may be afforded and then if it is desired the increase can be endorsed into the policy."

Will Not Allow It Later

"It is also observed that in the general rate revision providing two sets of rates and a stock company increase of 9.2 percent a loading of 1 cent per classification is included. It is proposed that the occupational disease loading now proposed shall be in addition to the 1 cent loading. We have not looked with favor upon the 1 cent loading and in all probability it will be disallowed when a decision is reached on the general rate revision proposal."

the company. The best way to get a better class of policyholders, he said, is through a more rigid selection of the agency force. He expressed serious doubt as to whether qualification laws will do very much in raising the standard of agency representation and said that the company should use the same

Compensation Rate Appeal in Hearing

Van Schaick's Ruling on Advance for New York Is Expected This Week

PERUSING QUESTIONNAIRE

Organization Officials Amplify Data on Medical Costs Furnished by Rating Board

NEW YORK, Dec. 14.—Superintendent Van Schaick now has before him a complete analysis of the data submitted some months ago by the Compensation Insurance Rating Board of New York in its appeal for an increase of rates upon workmen's compensation risks, and also of the information later called for from the companies as to their medical costs.

Before finally passing upon the matter, he will hear Leon Senior, general manager of the rating board; J. A. Beha, general manager National Bureau of Casualty & Surety Underwriters, and William Leslie, associate general manager of the bureau. Decision is expected before the end of this week.

Total Asked 19.2 Percent

In their application the carriers sought an increase of 9.2 percent. The bureau, as a result of its subsequent intensive study of the experience, held the advance asked for by the board would be insufficient to cover anticipated claims, and petitioned for a further increase of 10 percent, making the total advance 19.2 percent.

As the carriers were allowed a 27½ percent increase by the department a year ago, the superintendent was loath to permit a further boost unless convinced of the imperative need for it, hence his refusal to rule in the matter last September as the companies urged, and his call for additional information.

To learn the approximate cost of medical, surgical and hospital service in connection with claim payments, and the trend of such costs, the superintendent sent a questionnaire to all carriers operating in the state, asking their records in such connection. This data was tabulated and analyzed, and will be digested generally in the statement Mr. Van Schaick is expected to issue in conjunction with his decision on rates. No hint as to his conclusions has been given, however it is believed that an advance

(CONTINUED ON PAGE 30)

care and time in choosing its agents as in choosing an executive.

C. H. Davis, Pacific Mutual Life, chairman of the program committee, announced that Homer Buckley, Chicago advertising agency executive, will speak at the next meeting Jan. 9 on "Salesmanship."

Occupational Diseases Are Not Generally Understood

HAZARDS SHOULD BE STUDIED

Increase of Problem and New Plan of National Council Demand Better Field Knowledge

The growing seriousness of the occupational disease problem in underwriting workmen's compensation, and filing by the National Council on Compensation Insurance of a schedule of so-called "hazard weights" in Michigan, to be applied in other non-regulated states as speedily as possible, makes necessary some understanding of the various diseases which come under this classification.

Curiously enough, there are many underwriters who do not know a great deal about occupational diseases. For instance, silicosis is recognized as one of the most hazardous of these ailments arising from industry, it resulting from inhalation of dust in stone cutting processes. However, it is not generally known that the wet method of stone grinding and polishing is actually more hazardous than the dry method.

Wet Method Most Hazardous

It is generally assumed that when water is used to retain the dust and keep it from flying, no other protection is needed. An agency engineer and a home office underwriter recently passed such a risk upon the explanation it was a wet grinding process, after ordering cancellation on the assumption that it was the dry method.

While inhalation of the dry particles, especially over a long period, is almost certain to cause some degree of silicosis, nevertheless the lungs are able to expel many of these particles. It is explained, however, that when a workman inhales the stone dust in a moist condition, as it is thrown off to some degree in the grinding operation, the particles more easily find permanent lodgment in the lungs. It is evident from this illustration that it behooves underwriters to make a closer study of the nature of these diseases.

Some of the more hazardous occupations involving occupational diseases on which the companies for some time have been refusing agencies the right to bind or issue policies, even in emergency cases, are:

Rock excavation—silicosis; quarries, stone crushing, hatters' fur manufacturing; hat manufacturing—not straw or cloth, all operations excluding hatters' fur manufacturing; fur manufacturing, cleaning and dyeing, rubber reclaiming, rubber goods manufacturing, rubber tire manufacturing, wire insulation, artificial leather, type foundries, battery manufacturing—storage; airplane manufacturing, cement manufacturing, emery works, stone cutting and polishing, asbestos goods manufacturing—N. O. C.; asbestos goods manufacturing—spinning and weaving; paint manufacturing, lead manufacturing—red or white; chemical and dyestuff rating plan; acid manufacturing, N. O. C., heavy, medium, light.

The companies have been requiring in such cases that a questionnaire form be executed with any information in the agency's possession and forwarded to the company for advice as to what requirements will be imposed.

Any processes involving asbestos are considered especially hazardous, for the asbestos fibers appear to be difficult to expel from the lungs.

Sets Time Limit on Claims

NEW YORK, Dec. 14.—As liquidator of the New Jersey Fidelity & Plate Glass of Newark, Commissioner Kelly of New Jersey has formally notified that all claims against the defunct carrier must be filed with him on or before Dec. 31, 1932.

Scrutinize Injury Awards Where Insurance Is Factor

PIERRE, S. D., Dec. 14.—Jury verdicts in cases where liability insurance is involved will be scrutinized "with care" by the South Dakota supreme court, it was stated when the court reduced from \$12,000 to \$7,000 an injury award to T. J. Biggin of Sioux Falls, S. D.

Holding that the \$12,000 awarded by the Minnehaha county circuit court was excessive, the court took cognizance of the fact that the jury was informed that the defendant, C. R. Wagner, carried liability insurance.

Lloyds of America Agency Men Now Hitting Stride

The new Lloyds Insurance Company of New York, formed by the consolidation of the Lloyds Casualty, Constitution Indemnity and the Detroit Fidelity & Surety, has been licensed in Illinois. New York, Pennsylvania, Michigan and other states have also issued licenses. The branch office of the Lloyds Casualty in Chicago will be the branch for the consolidated company. The consolidated company shows assets of \$12,391,440, loss reserve \$4,920,935, premium reserve \$2,620,233, contingent reserve \$500,000, security depreciation reserve \$1,164,433, capital \$1,000,000, net surplus \$1,500,000.

Vice-presidents D. M. Maggin and Ralph J. Daly are in Chicago visiting the branch office and F. P. Stanley, the new vice-president and head of the agency department, will be in the city after Jan. 1. The Lloyds Casualty people are out on the firing line visiting agents in various sections. Mr. Stanley is in New York state this week. Vice-president Franklin Vanderbilt is on an agency visit.

Russell S. Chaloner has been appointed manager of the casualty department at Chicago and R. L. Gueydan, who has been in charge of surety there for the Detroit Fidelity & Surety, continues in that capacity with Lloyds. T. J. McNally has resigned as manager of the office.

Mr. Chaloner's last connection was with the Royal Indemnity at Chicago. He was manager there for five years for the Norwich Union Indemnity at Chicago and was connected with the Travelers there for seven years, most of the time having the title of assistant manager. He is a former president of the Insurance Club of Chicago.

Motion Was Dismissed

Judge Harry M. Fisher of the circuit court at Chicago has denied the motion for the appointment of a receiver for the American Mutual Indemnity and held that the company had the right to collect assessments from its policyholders. A considerable part of the collections have already been made and the remainder is in progress.

Barred from California

According to legal notice appearing Dec. 13 in San Francisco papers, signed by Commissioner Mitchell, the Benjamin Franklin Bonding & Indemnity has no further authority to operate in California as the result of its failure to repair a deficiency of more than \$190,000 in capital. Following the original notification by Mr. Mitchell 60 days ago, the company's officials charged attempted solicitation of a bribe of \$10,000 on the part of a department employee.

Lewis Louisville Claim Manager

R. N. Lewis, formerly with the claim department of the Travelers in Milwaukee, has been appointed claim department manager in Louisville, succeeding W. A. Reedy, who has been transferred to St. Louis.

Some Carriers Now Permit More Cases to Go to Trial

BACKBONES ARE STIFFENED

Seek to Eradicate Notion Settlement Is Always Effected When Attorney Is Employed

NEW YORK, Dec. 14.—In view of the fact that so many automobile liability claims are coming through these days with attorneys' liens attached, a number of the large casualty companies have adopted the policy of permitting more cases to go to trial than formerly. These companies feel that the notion should be eradicated that a settlement can always be obtained when an attorney is employed. There is a noticeable stiffening of the backbone on the part of many companies and a disposition not to be gouged in unwarranted cases merely because an attorney is interested.

Some executives are watching this policy anxiously. Although many cases which are permitted to go to trial may seem to be air tight so far as the companies are concerned, in a few years when the case comes to trial, witnesses may have disappeared or have been approached by counsel for the plaintiff and induced to change their story. The picture may change in a few years and the plaintiff's case may seem stronger. Executives can appraise their liability with some degree of accuracy when settlements are effected, but they are not sure what the experience will be if a larger number of cases are permitted to go to trial. The results will not be known for several years and in the mean time the amount of liability is indeterminate.

Despite this uncertainty, a number of executives feel that the companies sooner or later must adopt a more uncompromising attitude. The number of attorneys who are preying upon insurance companies is growing all the time and the fear is that if the companies continue to capitulate, the evil will increase by almost geometrical proportions.

Van Schaick Defends Power

Briefs have been filed in behalf of Superintendent Van Schaick of New York in the case involving the right of the department to assess fines against insurance companies for violations of the insurance law. The case is before the New York court of appeals on appeal from the order of the appellate division voiding in part a determination of Superintendent Van Schaick against the now defunct New Jersey Fidelity & Plate Glass, which in October a year ago was fined \$10,000 by the department for violation of sections 141 and 141-B in the writing of automobile policies.

Counsel for the New Jersey Fidelity & Plate Glass contends that action against the company should have been turned over to the attorney-general pursuant to section 2 of the public officers law.

Medical Feature Approved

Virtually all states have now approved the medical reimbursement feature adopted by many of the personal accident and health companies. At the recent gathering of insurance commissioners in New York City, the special committee endorsed the pro rata feature of the reimbursement form.

McManus Elected Director

J. H. McManus, general agent of the Maryland Casualty at Hartford for many years, has been elected a director of the company.

Mrs. L. R. Swezey, wife of the resident vice-president of the Globe Indemnity at San Francisco, died at Piedmont, Cal., Dec. 11 following a long illness.

Solicitation of Job Cover in Michigan Is Suspended

MORSE INTERVIEWS AGENT

Cooperation Promised When Insurance Department Representative Investigates Case

LANSING, MICH., Dec. 14.—Further solicitation of unemployment insurance by Battle Creek representatives of the Metropolitan Employment Assurance Bureau of Racine, Wis., will be discontinued, pending outcome of litigation regarding the company's status in its home state, department officials have been assured.

Cooperation Is Promised

Robert Morse, head of the licensing division, has returned from Battle Creek where he interviewed G. J. Diekema, who with E. J. Kaiser has been representing the Wisconsin concern. After pointing out to Diekema, who is a well-established life agent, that the company's operations in Michigan violate the statute, cooperation with the department was promised, Mr. Morse said. Mr. Diekema said the home office had informed him that the coverage was not of an insurance nature but that since a test action by the Wisconsin attorney general had been launched, he had been informed that if an adverse decision were returned the concern would immediately reincorporate as an insurance carrier and would seek licenses wherever it has operated. Mr. Diekema promised, Mr. Morse said to collect no more premiums and seek no more business under the present setup and to inform present insureds that if they wish to continue the coverage they must make payments direct to the home office.

Talk on "Occupational Diseases"

H. H. Rolfe, claims attorney for the Globe Indemnity, will speak on "Occupational Diseases" at the meeting of the Casualty Field Club of Chicago Dec. 19. at the Midland Club.

New Canadian Appointments

TORONTO, Dec. 14.—Leonard Weightman has been appointed assistant casualty manager for Canada and Donald Taylor casualty secretary for the Phoenix casualty group in Canada, consisting of the Phoenix of London, London Guarantee & Accident and Union Marine & General. Mr. Weightman came from headquarters of the London Guarantee in London about a year ago, while Mr. Taylor has been with the London Guarantee in Canada for 15 years. George Weir is casualty manager for Canada for the group.

American Indemnity Wins License

FRANKFORT, KY., Dec. 14.—The Frankfort circuit court, which granted the American Indemnity a writ commanding the Kentucky department to issue it a license authorizing it to write all types of automobile insurance in Kentucky, was upheld by the court of appeals.

Bush W. Allin, former commissioner, refused to issue the license on the ground it would be against public policy to permit the company to transact business in this state, as it had been authorized by its Texas charter to write both fire and automobile insurance, which right is not given by laws of Kentucky to its domestic companies.

The appellate court held that granting the license would not be against public policy.

F. A. Duxbury Dies

F. A. Duxbury, for 10 years a member of the Minnesota industrial commission and an authority on compensation insurance, died at St. Paul Dec. 12.

Pepper Hits Advocates of Limiting U. S. Court Power

SEES PASSAGE OF PROPOSALS

Speaker at Meeting of Association of Life Insurance Counsel Calls Sponsors Suspicious, Jealous

The sponsors of the proposal to remove diversity of citizenship as a basis for the jurisdiction of federal courts, by and large, have a suspicious jealousy of big business interests, especially in corporate form, according to George Wharton Pepper, who addressed the annual meeting of the Association of Life Insurance Counsel in New York. Mr. Pepper represents the Penn Mutual Life. Those advocating the change, Mr. Pepper said, are possessed of the conviction that business groups of this sort are generally wrong and that in the long run the so-called progressive is likely to be right if on all issues he takes the side which these groups oppose.

The presence in the various communities of federal judges and the maintenance of the district court are actually essential to a sound administration of justice in this country, according to Mr. Pepper. He said that the proposal to eliminate diversity of citizenship, in addition to springing from suspicious jealousy of large corporate groups and from irritation that the federal judiciary is not easily affected by popular clamor, also is inspired by the theory that the proposal, if enacted, would make the district bench unattractive to the best lawyers.

Administrative Tribunal

If the jurisdiction of the district court in cases involving the application of the common law is removed, the attraction of the judicial life is gravely impaired, he said. If the district court is shorn of its common law jurisdiction, Mr. Pepper said it would soon become a mere administrative tribunal, manned by bureaucrats. If this happens to the district court it would not be long before the same thing would happen to the circuit courts of appeal.

Mr. Pepper declared that the real abuses of the diverse citizenship jurisdiction can easily be remedied without destroying the jurisdiction and without depriving foreign corporations of a right essential to their well being. For instance, jurisdiction might be denied in suits brought against the subsidiaries of a domestic corporation where the subsidiaries have been organized under a foreign law merely in order to gain the right of removal. Since the constitution declares that the judicial power of the United States extends to controversies between citizens of different states, if the proposal in question is enacted, Mr. Pepper said that the question for the ultimate tribunal will be whether the congress can leave this power suspended in midair by denying to the district court the jurisdiction to exercise it while failing to vest that jurisdiction in any other court.

Mr. Pepper said he anticipates passage of the proposal. He expressed hope that the proposals would be vetoed, however.

The tendency represented in the proposal, according to Mr. Pepper, is in the direction of substituting in government the views of the destroyer for the views of the builder. Its enactment, he declared, will reveal democracy at its worst.

Casualty Notes

Examination of candidates for associate membership in the Casualty Actuarial Society will be held in the cities of the applicants May 24-25. Applications must be received prior to Feb. 15.

The attorney general of Florida has ruled that the Auto Cab Mutual Indemnity of New York City must deposit \$75,000 with the state in order to write public liability insurance.

Northwest Casualty Charges Being Reviewed by Herdman

INTERESTING REBATING ISSUE

Low Automobile Rates for Omaha Postal Employees Bring Protest from Other Carriers

LINCOLN, NEB., Dec. 14.—Commissioner Herdman has taken under advisement, with expectation of an early decision, the complaint filed by a group of casualty companies against the Northwest Casualty of Seattle, growing out of the latter writing the Omaha postal employees group automobile coverage at a rate that the complaining companies charge is so low as to amount to rebating and to be discriminatory in character.

There is a question whether or not the commissioner has any rate-making powers other than that of fixing a maximum premium charge. The complainants filed briefs maintaining that the general powers of supervision and regulation conferred upon the commissioner include the right to fix rates and to declare rates to be discriminatory. They insist that as a matter of public policy he may invoke the police power, and that a liberal construction of the law should be made, with no concern for inflexible rules of law no longer applicable to a growing world of changing conditions. To this the defendant answers that rate-making is purely a legislative power that cannot be delegated and should not be delegated since it is in the general interest that the law be written where all may know it for the law.

Claims It Is Not Rebating

The Northwest Casualty's attorneys take the position that the anti-rebating section refers only to life companies, but also assert that it is not rebating when the premium collected is the premium set out in the policy. They challenge directly the power of the commissioner to prohibit, regulate or prescribe classifications by insurance companies of automobile owners and (or) automobiles as to use, occupation, locality, accident experience, moral hazards and amount of driving. They say in the first place that the state should encourage rather than discourage lower automobile insurance rates, and that the commissioner should follow the policy of the state as fixed by the legislature, that of allowing competition to regulate rates.

The company says that classification of risks is nothing new, and that different rates are quoted for different towns, for different makes of cars and for different uses of the same make. It is urged that the postal employee is entitled to a lower rate than other car users in Omaha because he does not use his car in any hazardous enterprise; that as a rule it is used for private purposes only; that by reason of his work he cannot pile up mileage, and that he loses his job if he gets drunk and so does not drink.

Claim Superintendents Gather

The various claim superintendents of the Indemnity of North America throughout the middle west gathered in Chicago last week for a conference with several home office representatives, including Attorney Roscoe Koch, Perot Nevin and A. C. Christman. The claim superintendents went to Chicago from Dallas, St. Louis, Kansas City, Minneapolis, Detroit, Indianapolis, Cleveland, Akron, O., Cincinnati and Peoria, Ill.

Form New Davenport Mutual

The United Mutual Casualty Association of Davenport, Ia., has been incorporated to insure against loss from motor car accidents. Hugo Lehmann is president; R. G. Nolan, vice-president, and Z. L. Lehmann, secretary-treasurer.

Half Million Loss Stimulant to Sale of Blanket Bonds

NEW YORK, Dec. 14.—Interest of bankers and stock brokers in blanket bonds and other forms of indemnity, which had been waning, was greatly stimulated when news of the robbery of \$500,000 from the Continental Bank & Trust Company here became public. Five \$100,000 Liberty bonds with coupon attachments were stolen. The bank was protected by a blanket for \$800,000 issued by a leading New York City company with a prominent Philadelphia company as co-surety. Despite the size of the loss, which is in progress of payment, no one company will suffer unduly, the line being extensively reinsured. Federal bonds stolen are not reissued, although every aid toward their recovery is extended through the divisions of the Federal Reserve Bank. The theft from the Continental Bank recalls the \$1,000,000 robbery of a leading Minneapolis bank a year or two ago.

Securities of corporations that are stolen will usually be reissued providing the issuing body be protected by an "open penalty bond" of a reputable surety company. The rate for such coverage is 10 percent of the par or market value of the lost securities, whichever is greater.

"Count" Mueller to Become Pacific Mutual State Agent

E. H. (Count) Mueller of Madison, Wis., has been appointed Wisconsin state agent for the non-cancellable and commercial accident and health departments of the Pacific Mutual Life to succeed the late Ray Russell of Milwaukee, who died recently. Mr. Mueller will move his headquarters to Milwaukee and will take over the Russell agency.

Heads Managers' Association

Mr. Mueller is one of the best known accident and health men in the central west and is now serving as president of the National Association of Accident & Health Managers. He started with the old Bankers Accident of Des Moines, when E. C. Budlong, now vice-president of the Federal Life, was at the head of that company. When its business was reinsured by the Federal Life, Mr. Mueller became Wisconsin state manager for the accident and health department of the Southern Surety and continued in that capacity for the Provident Life & Accident of Chattanooga when it took over the Southern Surety's accident and health business in the central west. He has built up a very large agency plant and has made a reputation as an especially successful agency manager.

Allows Questions on Insurance

LINCOLN, NEB., Dec. 14.—Federal Judge Munger has abandoned the rule which has long obtained in federal courts that it is improper, in the trial of personal injury damage cases, to suggest to jurors that an insurance company may be interested in the outcome, and announced, in Johnson vs. Chambers, now on trial before him, that the state practice of permitting the fact to be made known to jurors will hereafter be followed. Defense had objected to prospective jurors being asked whether they were interested in a certain insurance company or any other insurance company.

E. F. Paterson, formerly special agent for the Hardware Mutual Casualty in New York State, has left that field and entered the life insurance business with the C. J. Zimmerman agency for the Connecticut Mutual Life in Newark.

Pennsylvania Court Decision Causes Tighter Underwriting

AFFECTS DEPOSITORY BONDS

Liability for Loss of State Funds Despite Cancellation Notice Makes Cover Hard to Get

NEW YORK, Dec. 14.—In the light of the recent decision of the Pennsylvania supreme court that surety companies are liable under depository bonds for loss of state funds on deposit, regardless of prior cancellation notices, financial institutions of the state will experience greater difficulty than ever in securing this coverage. Pennsylvania is one of the few states that requires a noncancellable bond for protection of public funds, a condition that the surety companies have endeavored unsuccessfully to have removed.

When banks in the state failed with alarming frequency some months ago, surety companies generally declined either to write further depository covers, or those willing to issue them consented to do so only with the proviso that the cancellation privilege sanctioned by State Treasurer Martin be attached to each bond.

Restriction on Privilege

This stipulation, however, was a restricted one, limiting cancellation action to 30 days preceding the anniversary date of the bond's issuance. If the company failed to act within the designated period it would automatically be bound for the further life of the obligation.

The form in question applies only to state funds. Counties and a number of municipalities, notably Philadelphia and Pittsburgh, have their own particular form of coverage protecting funds held in regular depositories.

The Pennsylvania decision was under the old form of depository bond, which contained no reference to cancellation. Regardless of whatever clause may be attached to the bonding instrument under the supreme court decision the law of the state governs, and hence modifying riders adopted by companies are valueless.

Hope for Nebraska Amendment

Nebraska is another state that requires a noncancellable bond to safeguard its funds on deposit. It is hoped that when the state legislature again meets next year, the form will be amended to permit use of the 30-day cancellation feature.

Surety companies have a depository bond committee, the purpose of which is to seek a form of depository bond that, while acceptable to banks and public officials, at the same time will prove fair to underwriting interests.

The Indiana legislature at its last session, because of the difficulties experienced in securing bonds covering public deposits, provided for the creation of a state sinking fund, through which all public funds would be protected. Surety companies now carrying such bonds have been notified that they will be held liable thereunder for the loss of any funds deposited up to Jan. 2, 1933, following which the responsibility will be assumed by the sinking fund.

Two New Vice-Presidents

The Great American Indemnity has bestowed the title of vice-president on William J. Ahearn, general attorney, and Milton P. Link, manager of the metropolitan branch in New York. Both of the new vice-presidents have been connected with the Great American Indemnity since its organization.

Mr. Ahearn was formerly connected with the Royal Indemnity in charge of claim work at several points. Mr. Link was at one time connected with the Travelers.

ACCIDENT AND HEALTH FIELD

W. E. Lebby at Rosen Agency

Well-Known Pacific Coast Accident and Health Man Announces New Connection

LOS ANGELES, Dec. 14.—W. E. Lebby, for several years manager of the life, accident and health department of the Behrendt-Levy Company of Los Angeles, has resigned to become secretary of the L. P. Rosen Company agency of Los Angeles, recently incorporated. L. P. Rosen is president of the agency and A. M. Sidman, vice-president and treasurer.

The Rosen agency was established more than ten years ago and was the eighth largest individually owned agency in the city when it became affiliated with the Behrendt-Levy Company a few years ago, the name of that agency being changed to the Behrendt-Levy-Rosen Company. Mr. Rosen and his associates withdrew from the Behrendt-Levy organization in October and re-established the Rosen agency with

offices at 1124 Transamerica building, Los Angeles.

Mr. Lebby is president of the Accident & Health Managers Club of Los Angeles and of the California Association of Accident & Health Clubs, and a former vice-president of the National Association of Accident & Health Managers.

C. H. Thrift succeeds Mr. Lebby with the Behrendt-Levy Company. He will also handle the compensation, aviation and boiler insurance of the agency.

Merger Is Proposed

Merger of the Dixie-Atlas-Republic of Campbellsville, Ky., with the Income Life of Louisville has been proposed. A meeting of stockholders is being held this week to ratify the proposal. The plan fell through by which stockholders of the Dixie-Atlas-Republic were to deposit half of their shares with the company for resale, the proceeds to be sent back to the company. The Income Life several months ago sought to take over the Lincoln Life & Accident of Okla-

homa City, but this deal did not materialize.

As of Dec. 31, 1931, the Dixie-Atlas-Republic reported \$111,504 capital, \$152,096 surplus, \$281,688 assets and \$3,077,986 insurance in force. It was formed in 1930 by the merger of the Dixie Life & Accident of Nashville and the Atlas-Republic of Campbellsville.

The Income Life was organized in 1929. At the end of 1931 it reported capital of about \$129,000.

Mutual Benefit's New Forms

The Mutual Benefit Health & Accident of Omaha, which never has paid renewal commission on its policies, is coming out with what it terms "standard renewal" policies in denominations of \$100, \$150 and \$200 monthly benefits, both health and accident and accident-only. This is a radical departure from the old system. The renewals do not apply on the other forms sold by the company.

Plan French Lick Meeting

Redfield & McGurk, Chicago managers for the Mutual Benefit Health & Accident and the United Benefit Life of Omaha, are planning a convention at French Lick March 17-19 for which

three months' qualification is required. Agents qualifying must write 39 applications in the first 13 weeks. Several home office men will attend and speak, including President C. C. Criss of the United Benefit Life and E. D. McKim, agency superintendent of the Mutual Benefit.

Reinsures People's Mutual

The Washington National of Chicago has completed a deal for reinsurance of the accident and health business of the People's Mutual Life, Beverly Hills, Cal., assessment company, which went into receivership for liquidation two weeks ago.

Wisconsin National Raises Rates

Effective Jan. 3, the Wisconsin National Life of Oshkosh will increase its accident and health rates 10 to 15 percent. Arthur James, vice-president and agency manager, says claims the past two years on all forms of health and accident policies have been excessive. No further business will be accepted after Dec. 31 under the old rates.

Compensation Rate Appeal in Hearing

(CONTINUED FROM PAGE 27)

will be allowed, although perhaps not so liberal as underwriters would wish.

In their argument for more liberal rates the companies submitted their claim and administrative expense experience, which with respect to New York was in keeping with experience in every other state in which compensation insurance is written. Greatly reduced payrolls, malingering and mounting medical costs have been costly to the carriers, and they are insistent that if they are to continue furnishing indemnity, the rates must be increased.

One item in connection with medical expenses in New York, it developed, was the advance in the rate for hospital attention from \$4.50 to \$5.50 a day, as directed by the hospital association. Greater frequency in use of x-rays and other specialized forms of medical and surgical attention too have added to the expense element. In so far as managerial expenses are controllable the companies have cut to the bone.

Manufacturers Resist Advance

The practice of the carriers with respect to the selection of medical men for injured assureds, it developed, differs widely. Some companies grant wide latitude, while others restrict or attempt to restrict the privilege. Changes in practice in this important connection had effect on the total medical expense as reported by the carriers.

When the proposition to increase compensation rates was first advanced in September, there was determined opposition by manufacturers, eager to keep expenses at a low point. They said lower costs were the order of the day in all lines, and compensation underwriting should follow suit. Underwriters pointed out that the factors which were causing generally lower costs were largely responsible for the growing loss experience of casualty companies.

Rating in workmen's compensation is far from being an exact science, and perhaps the very nature of the undertaking will preclude its ever becoming so. The best minds in the business recognize the numerous weaknesses in the system and are constantly studying to devise a better one. If, as is reported may be the case, Superintendent Van Schaick in announcing his attitude with respect to the 1933 rates for New York State, suggests changes in the present basis of preparing the rate structure, whether his proposals—if offered—be generally acceptable or practical, at least they will supply further material for consideration by the earnest seekers after light.



CO-OPERATION

Practical, Profitable Assistance

The progressive agent is coming to understand more and more the practical help his company can render.

The day is here when a good agent will carefully investigate company co-operation before making a connection.

Continental co-operation is practical, profitable, profound. It will weather the most exacting scrutiny. Its completeness is both evidence of Continental DURABILITY and a guarantee of agency progress.

CONTINENTAL
CASUALTY - ASSURANCE
COMPANIES
CHICAGO ILLINOIS





As Time Goes On

ON the walls of 1,061 insurance offices scattered over this country hang certificates to which their owners point with pride. Honor Certificates—issued by the U. S. F. & G. to agents who have served the company faithfully and well for twenty years or more. Two hundred and ninety-one of them have been our agents for over thirty years.

These veteran agents have witnessed many economic changes. Through wars, through panics, through catastrophes, through depressions, they have marched proudly on—secure in the present, confident of the future, because of the stability, the permanence, the strength of the U. S. F. & G.

Since 1896 the U. S. F. & G. has promptly paid out \$290,000,000 in claims and adjustment expenses. Today that prompt payment record stands as an assurance to agents and brokers that they are insuring the future of their own business when they insure clients with the U. S. F. & G. and the F. & G. Fire.



These Companies originated and broadcast the slogan, "Consult your Agent or Broker as you would your Doctor or Lawyer."



Unexcelled service on all casualty, surety, fire, automobile and inland marine lines through 11,000 Agencies and Branch offices in the United States and Canada.

United States Fidelity & Guaranty Co.

with which is affiliated

. . . Fidelity & Guaranty Fire Corporation . . .

HOME OFFICES: BALTIMORE, MD.

*With our Contract—
you would undoubtedly
do more Automobile business!*

ILLINOIS CASUALTY COMPANY *Springfield*

ILLINOIS, INDIANA, IOWA,
MICHIGAN, MISSOURI

For Open Territory—A-1 Agents

WRITE
P. W. PICKERING
Secretary

JEWELRY INSURANCE

•
All risks

•
All locations

MINIMUM
PREMIUM
\$10.00



RATES FOR FULL COVERAGE

For First \$5,000 or any part thereof.....	Rate \$2.50 per \$100
For Excess of \$5,000 up to \$10,000.....	" 1.75 " "
For Excess of \$10,000 up to \$50,000.....	" 1.00 " "
For Excess of \$50,000 up to \$100,000.....	" .55 " "
For \$100,000 and over—Rate on entire amount.....	.8875

A. F. SHAW & Co., Inc.

Insurance Exchange
Chicago, Ill.

75 Maiden Lane
New York City

General Agents—All Risks and Inland Marine Departments

Saint Paul Fire & Marine Insurance Co.
Eureka-Security Fire & Marine Ins. Co.

CHANGES IN CASUALTY FIELD

New Office Will Open Jan. 3

**Chicago Agencies Taking Space with
Continental Casualty's Enlarged
Branch There**

John J. Falvey & Co., Insurance Exchange, Chicago, will become associated with the new branch of the Continental Casualty to be opened in the exchange Jan. 3, taking court space on the Sherman street side of the building and handling its casualty business through the branch. Jens, Murray & Co., also in the Insurance Exchange, will move into court space adjoining the branch, having made an agency arrangement with it. The claim department of the Continental Casualty under Manager C. H. Ruttle will move into quarters with the branch as, of course, will R. W. Hyman & Co., which will handle the branch office's fire business, continue its general agency for the Continental Assurance and broker casualty business through the branch. Henry Lustgarten, associate branch manager, at 164 West Jackson boulevard, will continue as superintendent of the automobile department in the new branch; James MacGregor has charge of compensation, liability, burglary, plate glass, boiler and miscellaneous lines; W. Edwin White of commercial accident and health. J. L. Monier is in charge of the Cook county specials, P. O. Olstead of fidelity and surety, F. A. Miles of the life department and J. H. Muhlke is office and credit manager. J. C. Griswold, resident vice-president of the old branch, of course goes over to the new one in the same capacity in charge of production, and H. A. Glasgow is executive head as vice-president of the Continental Casualty.

C. M. Varde, who for nine years has been operating his own brokerage office in Chicago and has had 21 years' insurance experience, also has a place in the picture. He has made an arrangement whereby he will move in with Hyman & Co., in which, he announced, he will have an interest. Mr. Varde started with the London & Lancashire in Chicago, then for four years traveled 17 states for the North America. He had various other connections before opening his brokerage office.

R. V. Wright Is Transferred

Ralph V. Wright, who has been traveling Michigan for the Great American Indemnity with headquarters in the office of the Detroit Fire & Marine in Detroit, has been transferred to Chicago. From there he will continue to travel Michigan and Indiana as well. He has been connected with Great American Indemnity at Detroit for four years.

Opening Branch in Chicago

**Madison Insurance Co. Establishes a
Fully Equipped Office in Charge of
Thos. Bond, Jr.**

The Madison Insurance Company of Indianapolis has opened a Chicago branch office in A-1804 Insurance Exchange with Thomas Bond, Jr., as manager. This company specializes on insurance for public carriers including buses, trucks and taxicabs. It writes only personal liability and property damage. Colonel Summers, general manager, has been in Chicago for a few days getting the new office established.

Mr. Bond started his insurance career with the Travelers 17 years ago in Indianapolis and later did agency organization work. George Tomlinson, formerly with the Indiana insurance department, is in charge of the safety work at Chicago. The Chicago office is a full fledged branch giving complete service in the way of policy writing, claim adjustments and safety engineering. Out of every dollar received in premiums 10 cents is reserved for safety and engineering work. The Madison rates each risk individually owing to the difference in quality and experience of the assured. It depends much on the report of its safety and engineering department as to whether it will underwrite a risk.

W. E. Lord Co. Appointed

The W. E. Lord Company of Cincinnati has been appointed general agent for the American Indemnity for Hamilton county and several nearby counties in Kentucky.

Factory Insurers in Heavy Combat

(CONTINUED FROM PAGE 3)

recently. Conditions are changing rapidly and many mutual policyholders who three to six months ago did not credit the possibility of an increase in their mutual cost, will be interested in F. I. A.'s low fixed cost insurance, now that they have tangible evidence of reduced factory mutual dividends."

A factor which the factory mutuals are bringing out in their correspondence with policyholders is that although there has been a decrease in dividends, there has been a steady decline in the gross rate. In the correspondence with clients, the individual record of the policyholder is traced for a period of perhaps 10 or 12 years, showing the decrease in gross rate, rate of dividend and net cost. In practically all instances, the factory mutuals are able to show their clients a reduction in net cost over a period of years.

General Agency Opportunity

ASSOCIATED INDEMNITY CORPORATION and its fire affiliate, Associated Fire & Marine Insurance Company with combined capital and surplus on market basis of \$1,900,000.00 offer desirable general agency opportunity for combination automobile and casualty lines in Illinois. Business must be of desirable character, preferably with major portion outside of Chicago. Communicate immediately with John J. Taheny, Vice-President and Counsel, Morrison Hotel, Chicago. Inquiries will be treated confidentially.

"WESTERN AND SOUTHERN GROUP"

THE
**WESTERN AND SOUTHERN
INDEMNITY COMPANY**

Policyholders Surplus - - - \$1,446,300.86

All Securities Valued at Market June 30, 1932

THE
**WESTERN AND SOUTHERN
FIRE INSURANCE COMPANY**

Policyholders Surplus - - \$462,180.41

All Securities Valued at Market June 30, 1932

Charles F. Williams, President

Cincinnati, Ohio

Address—William C. Safford, General Manager

CSM

SERVICE and CO-OPERATION

will help boost your sales of automobile insurance. Inquire about our full coverage automobile insurance written at independent rates. Illinois agents will find some desirable territory now open.

Rufus M. Potts, President

CENTRAL STATES MOTORISTS INSURANCE COMPANY CHICAGO, ILLINOIS

AUTOMOBILE	PUBLIC	BURGLARY	ACCIDENT
LIABILITY	LIABILITY	THEFT	HEALTH
PROP. DAMAGE	TEAMS	PLATE GLASS	WORKMEN'S
COLLISION	ELEVATOR	STEAM BOILER	COMPENSATION

General Accident



FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.

FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING - 4TH & WALNUT STS.
PHILADELPHIA

Thirty Years—Through Thick and Thin

AMERICAN CASUALTY COMPANY

● Experience gained through meeting many and varied conditions removes the always dangerous snap-judgments and vacillating practices that bring gray hair to agents' heads.

A Stock Company

Incorporated 1902

Supporting the American Agency System ever since

Many Pet Theories Placed in Discard

(CONTINUED FROM PAGE 3)

loss experience of companies on the "preferred" dwelling risks, justifies the conclusion.

Nor have dwelling losses in recent months been confined to small or even to moderately valued properties. On the contrary, some of the largest claims paid by companies have been for destruction of palatial homes, owned by men of supposed wealth and of untarnished reputation.

While coverage upon expensive residences has never been looked upon with the same degree of favor as on homes of more modest dimensions, risks of this class were freely insured, though usually net retentions were kept within bounds. The number of expensive homes that have been completely destroyed by fire this year has added considerable to the loss ratio on the preferred class and has made underwriters chary of such risks, compelling them to get reinsurance thereon to a greater degree than ever before.

Another once cherished theory of fire underwriters was to look with suspicion upon any application for an annual cover from a risk entitled to a term rate, the impression being that such applicant expected to have a loss and intended to pay the least possible premium for his insurance. Today, term business has largely disappeared, property-owners finding it all they can do to pay an annual premium.

Mercantile ratings, while still used, are not given the same credence by underwriters as in times past. Formerly when a mercantile report disclosed a manufacturer or merchant to be operating upon a very limited profit margin, if indeed there was anything on the credit side of the ledger, the tendency of insurance men was to question the application and seek further data before assuming the risk. If this policy were followed now, the volume of business written would be extremely limited, the number of concerns and individuals whose operations reveal a profit, after maintenance and other charges are taken care of being very few.

Hazards Due to Hard Times

In the great percentage of cases little moral hazard attaches to present mercantile and manufacturing offerings, such hazards as exist being mainly physical and attributable to the inability of owners to maintain their properties in a proper state of repair or that degree of cleanliness customary in normal times.

From the above it must not be inferred that the underwriting theories noted which formerly governed were not thoroughly sound for they were and will again strongly influence the course of fire companies in the passing of times when the era of economic depression gives place to one of general prosperity.

It does evidence however that no inflexible rule for writing fire insurance can be laid down, but rather that underwriters must exercise sound common sense in weighing changed conditions, particularly if these be radical and general in character, and likely to be of relatively short duration.

Seeks Chicago General Agency

Vice-President John J. Taheny of the Associated Indemnity of San Francisco, who has been for some weeks in the east, is now visiting in Chicago making a survey of the business situation. Mr. Taheny while in Chicago will appoint a general agent for the company. It now maintains a branch office but is seeking a connection which will put it on a general agency basis. The Associated Indemnity writes the casualty lines and is one of the important compensation writers.

Companies Working Out Big Problems

(CONTINUED FROM PAGE 27)

going on during the last year and especially during the last six months. Companies evidently have reached the conclusion that it does not pay to continue on a "free insurance" basis. Agents therefore, that can not pay, are being gradually eliminated. A field manager has been given definite instruction as to the course to be pursued. Therefore, the process of sifting out the gold from the dross has been going on for some time and will continue until the companies get their agency plants on a satisfactory basis so far as balances are concerned.

Companies perhaps are more exercised over the workmen's compensation situation than any other department of the business. The loss on compensation last year was about \$25,000,000. It will be greater this year. In spite of the rate increase, there has been such a drastic reduction in payrolls that the premiums are off in a remarkable degree. Then the very stress of the times has increased the claim ratio by malingering and the demand for payment of claims that would not be thought of in days of sunshine. Compensation rates are all tied up with politics in almost all states where there is state rate regulation. The companies are unable to accomplish much, because the state administration naturally hesitates to approve any increase in rates even if it feels that it is entirely just.

Big Increase Needed

The compensation rate program outlined by the National Council on Compensation Insurance has many obstacles to overcome. The companies realize that the unprofitable nature of the business is due pretty much to the small premium risks. The mutuals and reciprocals go after the high premium selected business and have made a profit out of it. The program jacked up the rates all along the line but gave a preferential arrangement for the higher premium risk with, however, a lower commission to producers. This created hostility on the part of the agents. Many states have procrastinated in approving the increased rates. Some have turned down the request altogether. Therefore, the whole situation is in pretty much of a muddle.

As a matter of fact, to enable companies to break even on their compensation writings would require not a small increase but one running from 20 to 25 percent. Unless relief can be gotten on this class, companies will be forced to take it very sparingly, much more so than now or abandon it all together. They would not hesitate to take very drastic action but they appreciate the fact that their agency people would be dreadfully upset. Even with that situation, executives are not inclined to continue on a hopeless course that is getting worse.

The casualty companies are bearing down more and more on collections and are requiring agents to get the money or cancel policies. The companies realize the fact that it does not pay to continue where settlements are not made. In workmen's compensation business, where audits are made, some companies are collecting any extras and not allowing agents to do this if they are behind on their regular business. This has caused more or less bad feeling but companies declare that if agents are unable to remit for their current business, they will not be allowed to collect the excess premium after an audit is made. Where an agent is not in arrears, he is permitted to collect the excess. However, audits are not bringing out a very large amount of excess premiums. Payrolls have been reduced and even with a lower initial deposit premium, often the audit reveals no additional premium and frequently a refund is due the assured because the initial premium has been too large.

FIDELITY AND SURETY NEWS

Drops Private Surety Action

Milwaukee Council Asked for \$5,000 Premium After Ruling Requiring Million in Real Estate

MILWAUKEE, Dec. 14.—City officials who sought to save the premium on a surety bond for the city treasurer by providing a bond signed by individuals were advised by the county corporation counsel that the individual sureties would have to pledge \$1,000,000 worth of real estate according to law. Unable to find a substitute, the city officials agreed to ask the common council for a \$5,000 bond premium appropriation, for a \$500,000 bond, the maximum under the law.

The move to change from a surety bond resulted from an increase in the surety bond premium this year. Surety companies had previously charged \$1,000 premium for the city treasurer's bond, on a rate of \$2 per thousand. This year the rate was changed to \$2 a thousand on the amount of the bond or the tax levy, whichever was the larger. With a tax levy of about \$10,000,000 this year and a bond of \$500,000 required, the former figure was to be used which would have made the premium nearly \$20,000. Protest by city officials resulted in the Towner Rating Bureau promulgating a new rate for this bond, guaranteeing tax payments, at \$10 per thousand, making the premium on the maximum amount of \$500,000 for the bond \$5,000.

State Bond Fund Will Need Five Years to "Break Even"

MADISON, WIS., Dec. 14.—The Wisconsin public depository bond fund has an income of about \$2,500,000 for the biennium, according to a report made at budget hearings here. Claims as a result of bank closings amount to about \$2,000,000 and about \$470,000 of these have been paid.

It was estimated that it will take about five or six years for the fund to get even with the expected outlays to cover public deposits lost through bank closings, or tied up through moratoriums.

Nominate Seattle Officers

SEATTLE, Dec. 14.—Gerald A. Perry, Hartford Accident & Indemnity, has been nominated for president of the Seattle Surety Association; A. E. Krull, American Surety, vice-president, and Martin L. Stearne, H. E. Briggs & Co., secretary-treasurer.

Talks on Contract Bonds

NEWARK, Dec. 14.—A. R. Sexton, secretary Aetna Casualty & Surety, explained to the Surety Underwriters Association of New Jersey at its luncheon-meeting here the pitfalls of the underwriting of contract bonds at the present time and the new factors which have crept into that particular field.

The annual meeting will be held Jan. 4. The following nominations have been made: John Clark, president; C. W. Quick, vice-president; Ralph Hawkins, secretary, and Edward Charles, treasurer. Executive committee nominees are John Collins, Paul Parris, Ray Crowe, Thomas Graham and D. B. Lumpkin.

Nebraska Treasurer's Bond

LINCOLN, NEB., Dec. 14.—G. E. Hall, who becomes state treasurer Jan. 5, has made application for his \$1,000,000 bond to the National Surety through G. A. Luikart, manager of the insurance department of the Federal Trust Company. Mr. Luikart said the principal

bond will be furnished by the National Surety and that he and Fred Liles, Omaha district manager, will designate the co-sureties. The National Surety has indicated that it will retain \$200,000, and \$200,000 will be assigned to the Great American Indemnity, for which the Federal Trust Company is state agent. Several other companies will share in the bond, in sums ranging from \$50,000 to \$200,000. The acceptance of the \$1,200,000 of government bonds now in the treasury as cash remains to be settled.

Discuss Georgia Bond Forms

ATLANTA, Dec. 14.—On invitation of Commissioner Harrison, about 200 state and county tax officials and collectors are meeting here to discuss tax collectors' bonds with surety company representatives. Some time ago the companies notified Mr. Harrison that they would have to discontinue writing these bonds unless certain conditions in them were changed or eliminated, and the purpose of this meeting is to agree on a form of bond which may be approved

by the companies and at the same time protect the interests of the state.

Aetna Casualty on Bond

The Aetna Casualty was the originating company in connection with the contract bond covering the construction of the Archives building at Washington, D. C., by the George A. Fuller Company of New York. The estimated cost of the building is \$5,000,000 and the amount of the bond is \$2,700,000.

The Aetna Casualty is also on the bond of McCloskey & Co. of Philadelphia, which is erecting the United States custom house and appraisers stores in Washington at a cost of \$2,574,000.

Part of Day's Fine Remitted

Federal Judge Reeves at Jefferson City, Mo., has released Darby A. Day, formerly well known in the life insurance field, from payment of \$1,500 of \$2,500 fine assessed against him following his conviction on a charge of using the mails to defraud in connection with the operation of the Chicago Fidelity & Casualty and affiliated companies. Mr. Day paid \$1,000 of the fine immediately and was given 30 days to pay the balance.

PERSONALS

A. F. Allen, vice-president Employers Casualty, Dallas, Tex., is visiting the California agencies of that company and its running mate, the Commercial Standard Fire.

B. G. Wills, vice-president Fireman's Fund Indemnity and one of the organizers of the San Francisco council for the reduction of automobile accidents, attended a meeting of the California chamber of commerce committee on street and highway safety in Los Angeles last week. Because of his earnest efforts in behalf of safety, Mr. Wills was invited to sit in on the discussions.

F. X. Malley, vice-president of the American Reinsurance, is calling on officials in Chicago, Indianapolis, Cincinnati and Columbus, O., this week.

The Republic Mutual of Denver, a new casualty company, has been licensed in Colorado.

The Casualty Adjusters Association of Los Angeles held its annual dinner-dance Friday evening with an attendance of approximately 150 members and guests.

Ships don't come in —unless they are sent out



and sales don't come in today unless you go after them. The need for automobile insurance has never been greater than now. Aggressive merchandising is as essential as a proven policy that fits the public's automobile insurance needs.

The Illinois National Casualty offers you

- (1) proven, dependable stock company automobile protection secured with reinsurance treaties in companies with over twelve millions in assets.
- (2) coverage that protects.
- (3) nation-wide service when and where needed.
- (4) low rates that prospects can afford without sacrificing protection.
- (5) increased volume because 80-90% of all policies renew.

Preferred arrangements available for preferred agents in Illinois and Indiana. Particulars and details furnished upon request.

ILLINOIS
SERVICE OFFICES

KANKAKEE
182 E. Court St.
Phone: 90

BELLEVILLE
Advocate Bldg.
Phone: 740

T. H. REITER
President

HOME OFFICE
CHICAGO
540 N. Michigan Ave.
Whitehall 6802

C. H. BARR
Vice-President

BRANCH OFFICE
SPRINGFIELD
524 E. Capitol Ave.
Phone Capitol 133

INDIANA
SERVICE OFFICES

SOUTH BEND
111 N. Lafayette Blvd.
Phone: 4-2146

PERU
29 E. Main
Phone: 715

SPECIALISTS IN AUTOMOBILE INSURANCE

Wanted

To purchase agency in Chicago.
Address **X-8**, The National Underwriter.

WINZER & CO.
CERTIFIED PUBLIC ACCOUNTANTS
Specializing in
INSURANCE ACCOUNTING
29 S. La Salle Street
CHICAGO

The leading producers of accident and health insurance have cooperated to publish the **Proved Premium Producer**. It contains a selection of business ideas, plans and methods for building business. Price \$3. Write 420 East Fourth St., Cincinnati.

WE HAVE OPENINGS FOR FIELD MEN IN FOLLOWING STATES:

ALABAMA
FLORIDA
ILLINOIS

INDIANA
IOWA
KANSAS

MISSOURI

Applications will not be considered unless recently in field; thoroughly acquainted with Agents and fully conversant with Automobile Insurance.
Address **X-4**, The National Underwriter, Chicago

Central West Casualty Company

DETROIT

MICHIGAN

...CASUALTY...  ...SURETY...

FINANCIALLY
S O U N D

DISTINCTIVELY
P R O G R E S S I V E

Pledging Genuine Co-Operation to its Agents

ATWELL, VOGEL & STERLING, Inc.
PAYROLL AUDITS—INSPECTIONS

330 So. Wells St., Chicago

116 John St., New York

604 Plymouth Bldg., Minneapolis

369 Pine St., San Francisco

WORKMEN'S COMPENSATION

Agents and Bureau Confer

Proposals to Aid Stock Companies in Competition With Cooperatives Are Considered

Application, in some form, of the participating principle, graded commissions and a syndicate for the handling of large risks were among the proposals advanced in New York in the conference between agents' organizations and representatives of the National Bureau of Casualty & Surety Underwriters—all proposals being designed to help stock companies compete for large compensation risks with the cooperatives.

Those advocating the creation of a pool to handle the large risks, favor paying a flat 5 percent commission to the producer, whose only work would be to sell. After that all details would be handled by the carrier.

Advocates of the pool believe it would permit many economies in addition to

the saving in acquisition costs. For instance, audits, inspections and claim service would be centralized.

The graded commission scale and the so-called retrospective rating plan—payment of dividends to deserving policyholders after the expiration of the contract—are still championed by many in the business despite the controversy that developed after they were proposed earlier in the year and despite the fact that the Michigan anti-discrimination commission has declared the graded plan discriminatory. If the graded plan is revived, the decision of the Michigan commission would be appealed to the supreme court of that state.

Can't Attach Compensation Funds

SALT LAKE CITY, Dec. 14.—Money received under the workmen's compensation act cannot be paid to anyone but the beneficiary, is exempt from all creditors' claims and therefore can not be attached, the attorney general holds in reply to an inquiry from the state industrial commission.

Classification Changes Sought

OKLAHOMA CITY, Dec. 14.—Proposals have been filed with the Oklahoma insurance board by the National Council on Compensation Insurance, to give the construction of oil and gas pipe lines an "A" rate rather than the specified manual rates. The details of each job would have to be submitted to the Oklahoma compensation bureau for calculation of individual rates to cover that specific project.

The council has also asked to place brewers' drivers, chauffeurs and their helpers in the same classification with brewery plant employees.

National Council Changes

The Utica Mutual has been replaced by the Lumbermen's Mutual Casualty and the Employers Liability by the Ocean Accident on the reference and manual committees of the National Council on Compensation Insurance.

Court Stretches Law

MADISON, Dec. 14.—Admitting that the right of an employee to compensation for an occupational disease "hangs by a slender thread," and that "it has required no little judicial ingenuity" to grant compensation in certain cases, the Wisconsin supreme court has upheld an award in favor of John Sanger against the Nordberg Manufacturing Company of Milwaukee, his last employer, and the American Employers for disability in peculiar circumstances.

Sanger was a coremaker from 1900 until November, 1929, working for various employers. In February, 1929, he

was admitted to a sanitarium, suffering from tuberculosis superimposed on pneumoniosis, supposedly due to the dust encountered in his occupation. He was discharged as apparently an arrested case. In July, 1929, he secured employment with the Nordberg Company and worked until Nov. 25, 1929, when he was laid off for lack of work. He thereupon demanded compensation, claiming that he would have had to quit anyhow if he had not been laid off, as he was unable to work. The question before the supreme court was which of his more recent employers was liable.

Louisville Claim Men Elect

LOUISVILLE, Dec. 14.—The Louisville Claim Men's Association has elected officers as follows: President, J. R. Nutter, Kentucky & Indiana Terminal Railroad; vice-president, F. T. Garnett, Liberty Fire; secretary, S. E. Bevins, Aetna Casualty & Surety; treasurer, J. J. Etheridge, Jr., Aetna Casualty. There was some discussion on the need of reducing the high cost of medical service, and for further and closer card indexing and supervision of professional claimants.

Reisert Louisville President

LOUISVILLE, Dec. 14.—The Louisville Casualty & Surety Association at its annual meeting named officers as follows: President, W. A. Reisert, Reisert Insurance Agency; vice-president, Karl L. Nordyke, Travelers; secretary-treasurer, G. D. Detweiler, William Detweiler & Co. Mr. Reisert is national councillor from Kentucky in the National Association of Insurance Agents.

Des Moines Club Christmas Party

DES MOINES, Dec. 14.—The Casualty & Surety Club of Des Moines had a record attendance at its Christmas luncheon meeting Dec. 12. Chester E. Ford, past president Iowa Association of Insurance Agents was the Santa Claus. The party was in charge of President K. G. Ellsworth. Among guests were Commissioner E. W. Clark, Sam Morrison, Iowa City, past president Iowa Association of Insurance Agents, and Municipal Judge Ralph Powers.

Seek to Regulate Forms

Commissioner Lawson of West Virginia is preparing to issue an order, prescribing uniform policies for automobile property damage and public liability. Mr. Lawson just recently suffered defeat in his attempt to regulate automobile liability rates, the supreme court of his state holding that he did not have that power. Apparently, however, he is interested in seeking to regulate forms. Mr. Lawson requested the attorney-general of his state to prepare such an order and it is understood that this has been done and action is now awaited from Mr. Lawson.

INDIANA INSURANCE COMPANY

A STOCK COMPANY CHARTERED 1851—OPERATING ONLY IN INDIANA

Capital, Surplus and Reserves for Protection of Policyholders over \$700,000.00

Writing

AUTOMOBILE

All Lines in One Policy

FIRE and WINDSTORM

*Combined coverage, equal or unequal amounts, in one policy.
Excellent reinsurance facilities*

PLATE GLASS

Unexcelled contracts

COOLING-GRUMME-MUMFORD CO.

State Agents

Riley 6452

8 East Market St., Indianapolis

SPECIAL AGENTS

ERNEST NEWHOUSE
LA RUE BYRON
EMERSON NEWHOUSE

HOW about
an agency
contract with
a Company
that will
help an
agent when
help is
needed?

Argus Fire Chart

Argus Casualty Chart

The new 1932 Argus Fire and Casualty Charts give a complete and up-to-date financial and insurance report of all fire and casualty organizations, stock, mutual and reciprocal. Comparative statements for past years indicate the standing and progress of various companies.

Information given in these charts is needed in every insurance office.

When ordering, state specifically if you desire the Argus Fire Chart or the Argus Casualty Chart.

Write for special prices

The National Underwriter
A1946 Insurance Exchange
Chicago

Sales Training Course in Casualty and Bond Underwriting

By R. P. Stanley and C. R. Hebble

A course covering the fundamentals, coverage and selling of Casualty and Bond Lines. The 25 lessons study "Basic Principles of Public Liability;" "Workman's Compensation;" "Contractors' Liability;" "Plate Glass," etc.

The course includes correction of your answers to the examination questions. Worth while for all casualty men.

Write for free description booklet.

The National Underwriter
A1946 Insurance Exchange
Chicago

What to Know About Automobile Insurance

By Frederick W. Doremus

This book gives a broad survey of present day automobile insurance. It analyzes the physical and moral hazards involved in underwriting and loss adjusting, and points out the best practice for the producing agent to follow.

The beginning underwriter will derive a sound foundation in this branch of insurance. The experienced underwriter will find this book a profitable review of the sound principles he uses daily.

Price \$1.50

The National Underwriter
A1946 Insurance Exchange
Chicago

Sales Training Course in Property Insurance

Conducted by Dwight Ingram

A training course for the agent who wants to have a complete but brief schooling on fire and allied lines. Ideal for the man entering the business and for the man of experience who wants to check his knowledge and efficiency.

Twenty-one lessons deal with "The Opportunity and Need for Selling Property Insurance;" "Basis of Fire Insurance;" "Loss Adjustments;" "Sprinkler Leakage," etc.

Write for free booklet telling about the course. The price is within the reach of all.

The National Underwriter
A1946 Insurance Exchange
Chicago

Right to the Point

A Manual for Fire Insurance Agents

This book, bound in red leather, answers 268 questions on rules, methods, requirements and principles of agency practice—all direct, clean-cut, satisfying.

Over 150,000 insurance men have learned the first rules of the business from it. This book is as essential to the fire insurance man as the dictionary is to the literary man.

You cannot know too much about the fire insurance business not to need a copy of "Right to the Point."

Library Binding \$1.25

The National Underwriter
A1946 Insurance Exchange
Chicago

Casualty and Surety Coverages and How to Sell Them

By Wm. H. Bates

Mr. Bates, an experienced and successful general agent, originally wrote this book as a sales manual for his own salesmen and agents.

A clean-cut description of the various covers and principal underwriting points involved daily are taken up. You are told who the prospects are and the selling arguments to be used. Actual examples point out the hazards insured against.

This simple practical guide to casualty insurance and surety is welcome by casualty men everywhere.

Price \$1.50

The National Underwriter
A1946 Insurance Exchange
Chicago

Inter- Insurance and Reciprocal Exchanges

Compiled by
John F. Ankenbauer

This is the thirty-second revision of a book that illustrates with actual examples every phase of the reciprocal or inter-insurance plan. The number of editions that have been sold illustrates the demand for it.

Paper Cover, Price \$1.00

The National Underwriter
A1946 Insurance Exchange
Chicago

The Casualty Insuror

Published by The
National Underwriter
Company

A monthly magazine for Casualty and Surety Field Workers—a monthly magazine devoted entirely to casualty and surety lines.

Each issue is filled with suggestive and helpful articles which enable casualty and surety agents to "keep pace" with present day trends.

The Casualty Insuror helps agents sell. Subscribe today.

Price: \$2 a year

The Casualty Insuror
A-1946 Insurance Exchange
Chicago, Illinois

"Is it . . .
a GOOD Company?"

TODAY, this is the first question thoughtful men and women ask about the companies in which you, their agent, propose to place their insurance. The selection was once left entirely to the agent; now he must sell the company as well as the insurance. Nor does this indicate lack of confidence in his judgment. It is nothing more than the natural reaction of persons whose experience these last three years has taught them not to take too much for granted.

As an Ætna agent you can answer, "Certainly, it is a good company" and you can prove it.



ÆTNA INSURANCE COMPANY
Hartford, Connecticut